



Municipal Service Review

JULIAN REGION

FINAL

REPORT SUMMARY | JUNE 2019



General Themes and Conclusions

The Julian region comprises a sizable portion of unincorporated San Diego County that is approximately the same geographical size as the Tri-City area (Oceanside, Vista, and San Marcos). The region remains largely rural, however, with an estimated full-time population of 3,550 that increases to approximately 4,000 with second home residents arriving during weekends and summer months. There is also a significant tourist impact on daytime population in the region throughout the year and most notably in the fall months with annual apple-harvesting activities. Recent growth during the report period has slightly exceeded historical rates with an estimated annual population increase of 0.80% and resulted in an approximate net addition of 300 full-time residents and 160 new housing units. Notwithstanding the new growth, there remains no substantial demographic

differences within the individual communities that comprise the region – Cuyamaca, Julian, Lake Cuyamaca Resort, Kentwood-in-the Pines, Whispering Pines, and Wynola – with respect to common social and economic measurements. To this end, the region's residents tend to be measurably older, retired, and with less household income than the countywide averages.

The County of San Diego remains the primary provider of most municipal services in the region and this includes community planning, law enforcement, road maintenance, and waste disposal. The other municipal services in the region are the principal responsibility of the six affected local agencies under the Commission's oversight and subject to this report: Cuyamaca Water District; Julian Community Services District; Julian-Cuyamaca Fire Protection District; Lake Cuyamaca Recreation and Park District;

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Majestic Pines Community Services District; and Wynola Water District. All six of these affected local agencies were formed between 1961 and 1993 with most assuming service responsibilities from an earlier service provider (private and public) that – and for different reasons – did not meet community needs.

A review of the six affected agencies relative to the Commission’s growth management tasks and interests produces seven central conclusions. These conclusions collectively address the availability, need, and adequacy of services within the Julian region and range in substance from addressing demand-to-capacity relationships to overall financial standing. The conclusions also address potential sphere changes. The conclusions are independently drawn and sourced to information collected and analyzed by the Commission between 2014 and 2018 and detailed in the agency profiles.

No. 1 Role in Supporting County Planning in Backcountry

All six affected agencies were voluntarily formed by landowners to accommodate localized interests in the Julian region beginning in the 1960s. The agencies’ functions – i.e., water, fire protection, and community recreation – have grown in importance and are necessary in supporting current and planned uses in the region as well as providing a social and economic anchor for the greater “Backcountry” area.

No. 2 Diseconomies of Scale

Community preferences and supporting County land use policies to retain the rural nature of the Julian region limit the affected agencies in spreading out their costs among an expanding pool of landowners and/or ratepayers. This dynamic is particularly pertinent to the four agencies tasked with providing water service – Cuyamaca WD, Julian CSD, Majestic Pines CSD, and Wynola WD – given their costs to maintain physical infrastructure systems are prone to increases irrespective of management efficiencies.

No. 3 Variations in Civic Engagement

There exist marked differences in the level of civic engagement between the six affected agencies in the Julian region and their constituencies. All of the affected agencies operate websites, but only half provide access to agenda information. Some of the agencies regularly conduct monthly meetings while others are prone to cancellations and often meet only a few times a year. Further, most of the agencies have relied on appointments to fill one or more of their board seats in contrast to holding open and competitive elections.

No. 4 Immediate Merit to Reorganize Julian-Cuyamaca FPD

LAFCO recently approved a reorganization initiated by the subject agencies to dissolve Julian-Cuyamaca FPD and concurrently transfer service responsibilities to the County of San Diego’s Fire Authority through County Service Area No. 135. Approval was protested and subsequently confirmed by voters through a special election, but currently under legal challenge by reorganization opponents. Markedly, should the reorganization proposal not proceed for any reason, LAFCO should consider initiating its own reorganization to dissolve Julian-Cuyamaca FPD and transfer services to the County Fire Authority as authorized under statute.



Credit: Google

Tourists visit the Julian Region throughout the year and most notably in the fall months with annual apple-harvesting activities.



Lake Cuyamaca

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No. 5
Additional Merit to Explore Functional or Political Consolidations

The constraints on economizing costs through new development and/or users in the Julian region suggest it would be prudent for the four affected agencies providing water service to explore opportunities to achieve greater efficiencies through functional and/or political consolidations. These discussions could be facilitated by the Commission and premised on identifying baseline options and deferring to the agencies to determine if sufficient interest exists to warrant more exploration.

No. 6
Most Agencies Have Adequate and Excess Capacities

The majority of the affected agencies in the Julian region have developed adequate capacities to meet existing and anticipated demands in their jurisdictional boundaries into the immediate future less one notable exception. This exception involves Julian– Cuyamaca FPD whose fire protection and ambulance transport services are already over–capacity relative to available resources and increasingly dependent on outside providers to meet demands.

No. 7
Financial Stresses Underlying Service Provision

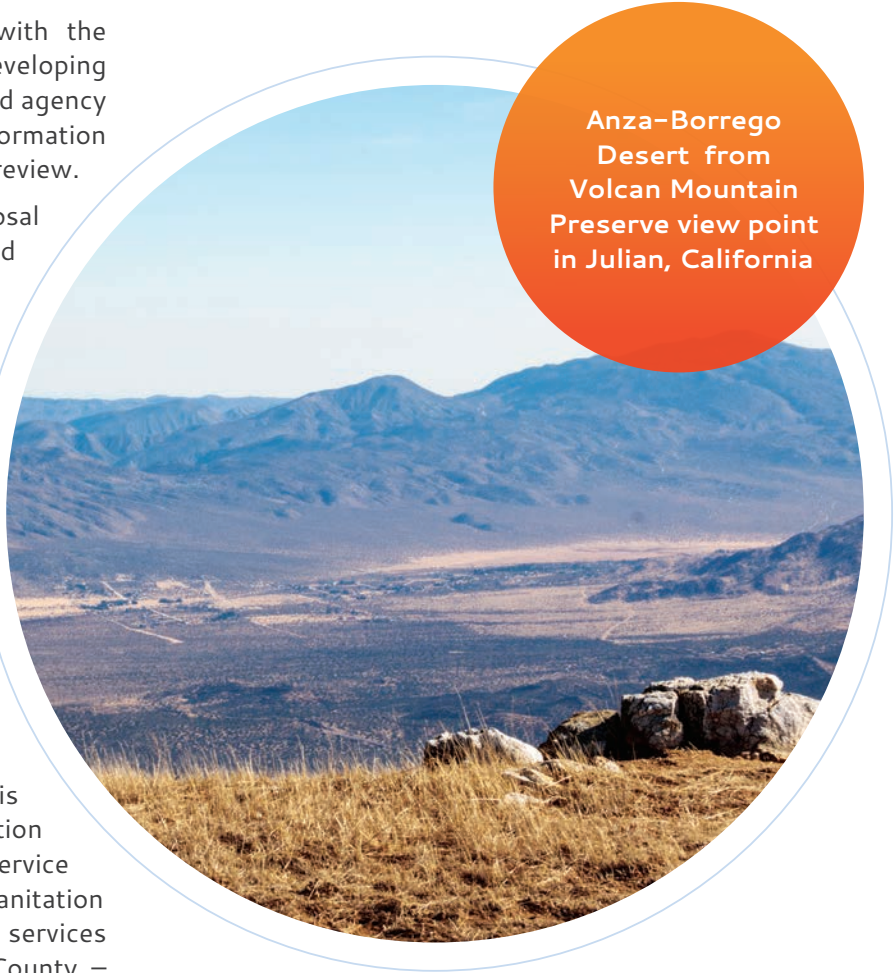
All six affected agencies have experienced moderate to significant financial stresses during the report period. These stresses are reflected by all of the agencies incurring negative trends in their savings ratio – ability to add to unrestricted reserves – as well as most experiencing multiple years of total and operating margin losses.



Recommendations

The following recommendations call for specific action either from San Diego LAFCO and/or by the affected agencies based on information generated as part of this report and outlined below in order of their placement in Section 5.0 (Written Determinations). Recommendations for Commission action are dependent on a subsequent directive from the membership and through the adopted work plan.

1. San Diego LAFCO should coordinate with the County of San Diego and SANDAG in developing buildout estimates specific to each affected agency in the Julian region and incorporate the information into the next scheduled municipal service review.
2. Should the current reorganization proposal involving Julian–Cuyamaca FPD not proceed as a result of current legal proceedings, it would be appropriate for San Diego LAFCO to initiate its own and similar action in the future based on the analysis of this municipal service review and as authorized under Government Code Section 56375(a)(3).
3. San Diego LAFCO should make available staff resources to convene and facilitate stakeholder meetings among the four affected agencies in the Julian region that provide water service to explore available options and benefits therein of functional or political consolidations.
4. San Diego LAFCO should revisit the analysis in this report as appropriate in conjunction with completing an upcoming municipal service review on the San Diego County Sanitation District and its provision of wastewater services in unincorporated areas of San Diego County – including a portion of the Julian region.
5. Cuyamaca WD should improve its water system infrastructure to begin metering individual connections along with transitioning the fee schedule to emphasize actual usage as a collective means to track and encourage conservation.
6. All four affected agencies in the Julian region that provide water service should jointly prepare a report assessing each system’s available groundwater supplies under different hydrologic periods based on shared planning assumptions for the benefit of improving service resiliency going forward.
7. All six affected agencies in the Julian region should review the new and prescriptive requirements in Assembly Bill 2257 and Senate Bill 929 and make conforming changes to their websites as needed and in step with improving their communication with constituents and the general public.
8. San Diego LAFCO should proceed and update the spheres for all of the affected agencies in the Julian region with no changes, and in doing so satisfy its planning requirement under Government Code Section 56425.



Anza-Borrego
Desert from
Volcan Mountain
Preserve view point
in Julian, California