

To: Jedediah R. Smith

[Local Boundary Commission](#)

Alaska Department of Commerce, Community, and Economic Development

550 W. 7th Avenue, Suite 1650

Anchorage, AK 99501

(907) 269-4559

Mr. Smith,

My name is Daniel Horwath. My wife, Sue and I are full time residents of Tenakee Springs. I hold a B.S. in Biology from the University of Maryland and Sue holds a B.A (Art) from the College of Wooster, Ohio. I serve on the Tenakee Springs City Council. We are opposed to the proposed boundaries of the proposed Xunao Borough as outlined in the petition for the following reasons:

#1: Boundaries

Though not officially creating an “enclave”, by code the boundary with Tenakee Springs would create a practical enclave, creating a difficulty for Tenakee springs to grow and or expand independently with other like-minded communities in the future. The isolation proposed creates an adversarial condition.

Tenakee Springs has a hydro-electric plan and plant in progress that the current proposed boundary would encompass. We respectfully request that no Xunaa Boundary infringe on the Tenakee Springs watershed or the inlet. Commercialization of the lands to the north, the waters to the East would seriously jeopardize the well-being of the community, our livelihoods, and a very delicate environment. Examples of this may be found in reduced local subsistence harvest, closed seasons due to over-commercialized fishing and logging practices.

We respectfully request that the Xunaa Boundary be held above the Tenakee Inlet Watershed making that the southernmost boundary of the Xunaa Boundary.

#2. Economy, Land, Water, Air Transportation, Community Interests

Hoonah and Tenakee Springs are distinctly different in these areas. Hoonah embraces commercialization while Tenakee Springs discourages large scale commercialization, tourism, and over-use of our natural resources. Our experience with commercial harvesting of local prawns has been a disaster for the inlet that doesn't allow the species to regenerate successfully. King Salmon have been proposed to be included on the Federal Endangered Species List and Tenakee Inlet is prime, unspoiled breeding ground and habitat for King Salmon. To compromise this ecosystem with commercialization would seriously threaten prime habitat.

Tenakee Springs has no shared connection physically with Hoonah. No roads. No flights. No scheduled ferry or boat routes.

Furthermore, it is our understanding that:

- 1) Hoonah failed to articulate sufficient need to satisfy 3 AAC 110.090(a).
- 2) The size of the proposed borough is excessively large, failing to meet the requirements of 3 AAC.110.065(2), in that a new borough would not reduce the number of local governments, nor consolidate school districts.
- 3) A new borough would create “exclusion” zones for the locally governed communities of Tenakee Springs, Gustavus, and Pelican. The proposed borough boundaries would prevent each of these communities from expanding their own boundaries at a future date to allow for “reasonably predictable growth,” as proposed in 3 AAC.110.130(c)(1), and in fact would place Tenakee's hydroelectric project at Indian River inside the new borough.

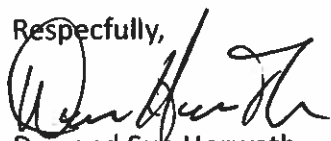
- 4) Forming a new borough would not meet the best interests of the state of Alaska in that it would fail to reduce the number of local governments, fail to reduce the number of school districts, and fail to relieve the state of providing local services. See 3 AAC. 110. 065 and 3 AAC 110.135(2) and (3).

Alaska code prohibits the inclusion of large unpopulated areas not suitable for city government (See 3 AAC.110.130(c)(2)). The proposed borough would include 10,404.27 square miles (6/28/23 Petition at page 4), increasing the current size of 7.3 square miles by 10,397 square miles of primarily unpopulated land and waters, mostly currently administered by the U.S. Forest Service, Huna Totem, Sealaska, and the Mental Health Trust. 3 AAC.110.090(a) requires that both residents and property owners may reasonably expect to benefit from services and facilities of the new borough. There is no indication how these large property owners will derive any benefit from being incorporated into a borough, and therefore, no coherent rationale for this enormous area to be included in the proposed borough.

3 AAC.110.090(a) specifies there must be a reasonable need for a local government where residents may be reasonably expected to receive benefit of services and facilities (at 6). Yet the residents currently outside of the city limits of Hoonah apparently don't see a need for services, and don't expect to get much in the way of services as a result of borough formation. That is, according to the petition, proposed new residents want "limited government intrusion", recognizing they will receive "limited services." Much of the administrative code about borough formation concerns providing essential services. The petition fails to meet this requirement.

To illustrate this point, the petitioners claim outlying residents *don't want* services, and "the time has not come yet" to provide them (6/28/23 Petition at page 30). Also clearly stated: "It is difficult, if not impossible, to provide" Funter Bay and Elfin Cove "with a full range of community services." (6/28/23 Petition at page 3, emphasis added). Specifically, the proposed borough will not provide education, planning and zoning, police, emergency services, fire, water and sewer, solid waste, etc. (Id. At pages 8-9). Again, any specific essential services that would be provided outside the townsite "would be mere speculation at this time" (Exhibit F). This is a far cry from the proposed borough including "the human and financial resources necessary to provide the development of essential municipal services on an efficient, cost-effective level," as required by 3 AAC 110.055 and 3 AAC 110.970(b). Particularly, see 3 AAC. 110.970(d)(5) and 990(8)(B) which includes public safety as "an essential municipal service" and defines "mandatory power" as including providing education, public safety, public health and sanitation services.

In Summary, the proposed Xunaa Boundaries would in effect create an enclave of Tenakee Springs practically having a very negative effect on future growth, revenue, and independence. We see no apparent overall benefit for Hoonah that cannot be expressed under current management of the US Forest Service of the State. The petitioner has not demonstrated the need for creating the proposed borough in terms of 3 AAC 110.090(a)(6): There must be a reasonable need for city government where residents or property owner may reasonably expect to receive benefit of services and facilities. Given that the petitioner has admitted it may be "impossible" for the proposed borough to provide essential services outside of the townsite, it seems reasonable for the LBC to either reject the petition outright as lacking merit, or, at the very least, dramatically shrink the proposed boundaries to allow for future self-determination of other communities.

Respectfully,

Dan and Sue Horwath
PO Box 522
Tenakee Springs, AK. 99841
(907) 736-2213

2/14/24