

## **EXHIBIT F TRANSITION PLAN**

This exhibit presents a practical plan demonstrating the intent and capability of the proposed borough to begin providing essential services [as defined by 3 AAC 110.970] to the area proposed for incorporation within the shortest practicable time after incorporation. It also provides a practical plan for the areawide assumption of powers, rights, and functions presently exercised by the City of Hoonah, as well all city assets and liabilities.

The City of Hoonah is the only existing local government within the proposed borough boundaries, and it is the only entity with which any transfer of programs, assets and liabilities will occur. The REAA Chatham School District's geographic scope is superimposed over the proposed borough; however, no REAA school or other facility exists within the proposed borough. No program, asset, or liability will be transferred to the borough from any other three unincorporated communities within the borough (Elfin Cove, Game Creek, and Funter Bay).

### **1.0 Initial Borough Election**

Under AS 29.05.110(a), within 30 days after notification by the LBC that it has accepted the Xunaa Borough petition, the State Director of Elections must order an election in the proposed borough to determine whether the voters desire borough incorporation and, if so, to elect initial municipal officers. The law provides that the election shall be held not less than 30 or more than 90 days after the date of the election order. The election order must specify the dates during which nomination petitions for election of initial officials may be filed.

A. The initial elected borough assembly shall consist of seven assembly members, including a mayor, all elected at large from within the borough boundaries. Mayoral candidates will compete separately. The terms will be staggered. To accomplish this, in the initial assembly election, three assembly members (which shall include the mayor) will be elected for a term of three years, two for a term of two years, and two for a term of one year, with terms (other than the mayoral term) allocated by lot.

B. The initial borough election will also elect a five-member school board, all elected at large from within the borough boundaries. Terms will also be staggered, with two school board members receiving a term of three years, two for a term of two years, and one for a term of one year. To accomplish this staggering, these terms shall also be allocated by lot.

C. A candidate for the borough assembly or school board shall be a qualified voter of the proposed Xunaa Borough and a resident of the proposed borough for at least one year preceding the election.

- D. Nominations & Election Conduct: Nominations for initial borough office shall be made by petition signed by at least fifty (50) registered voters. The Director of Elections shall supervise the election and the State of Alaska shall pay all election costs.
- E. A qualified voter who is registered to vote within the proposed Xunaa Borough boundary at least 30 days before the date of the election order may vote in the incorporation election.
- F. If the voters approve the proposition to incorporate, the initial elected officials take office on the first Monday following certification of election.
- G. Areawide borough powers included in the Petition are considered to be part of the incorporation question. The charter included in this Petition is also considered to be part of the incorporation question. The charter is adopted if the voters approve incorporation of the Xunaa Borough. Finally, the 1% areawide seasonal sales tax set out in **Exhibit W** will also be subject to ratification at the incorporation election pursuant to AS 29.45.680.
- H. If incorporation is rejected, no officials are elected.
- I. Under the charter: the initial borough assembly shall specify the date at which the borough will assume all of the rights, power, duties and liabilities of the City of Hoonah areawide. That "Assumption Date" must be no later than 60 days after swearing in of the initial borough assembly. Upon the Assumption Date, the City of Hoonah is dissolved by operation of law under AS 29.06.250(c).

## **2.0 Interim Ordinances; Effect on Proceedings**

The charter takes effect upon incorporation of the borough following certification of the results of the incorporation election.

The charter creates the Hoonah Townsite Service Area, which coincides with the boundaries of the City of Hoonah. Pursuant to AS 29.05.140(a) and the terms of the charter, all ordinances, resolutions, regulations, orders, and rules in effect in the former City of Hoonah, upon incorporation of the borough, shall continue in full force and effect within the Hoonah Townsite Service Area until repealed or amended in accordance with the charter.

All rights, assets, duties, titles, actions, suits, franchises, contracts, and liabilities and all civil, criminal, or administrative proceedings shall continue unaffected by the ratification of the charter. The new Xunaa Borough shall be the legal successor to the former City of Hoonah for this purpose.

The existing general sales tax within the City of Hoonah will continue to be assessed, without interruption, within the Hoonah Townsite Service Area.

A new 1% seasonal areawide sales tax, attached as **Exhibit W** to this Petition, is being submitted for ratification by the voters with the incorporation election pursuant to AS 29.45.680. The first year in which the tax will be levied will be the year following borough formation.

### 3.0 Timeline

The proposed timeline for the principal transition actions is as follows:

**Initial Borough Assembly/School Board Election.** 30–90 days after Director of Elections orders the election.

**Assumption Date.** No more than 60 days after swearing in of new borough assembly.

**Complete Permit and Conveyance Assignments.** Within six months of the Assumption Date. Certain former City of Hoonah obligations, such as environmental permits, may require formal assignments, and agency internal procedures will need to be followed.

**Comprehensive Review of Former City of Hoonah Code for Needed Changes.** Within 18 months of ratification of the charter at the incorporation election. Pursuant to the charter, all of the ordinances of the City of Hoonah become ordinances of the Xunaa Borough and made applicable within the Hoonah Townsite Service Area. A comprehensive review of those ordinances is required to determine their long-term suitability for the borough.

**Complete any Changes Needed to the Borough's Comprehensive Plan and Land Use Ordinances.** Within 24 months of ratification of the charter at the incorporation election.

### 4.0 Borough Powers

All of Xunaa Borough's powers, including those formerly possessed by the City of Hoonah, will become areawide powers of the borough. With the following three exceptions, these powers will be applied on a service area basis. The exceptions are:

- taxation;
- education; and
- planning and zoning.

These three powers will be discussed in turn.

Taxation. The Xunaa Borough Charter states that the only tax to be assessed on an areawide basis is a 1% areawide seasonal sales tax. Because this Petition asks that, pursuant to AS 29.45.680, the required voter ratification of that tax occur in conjunction with the

incorporation election, the text of this proposed tax is included as **Exhibit W** of this petition. That amendment is to the City of Hoonah Code §4.04.030. Pursuant to the proposed Xunaa Borough Charter (**Exhibit I**), the entirety of Chapter 4.04 will, upon borough formation, become part of the Xunaa Borough code, and any references in that Chapter to the City of Hoonah shall, with respect to the seasonal sales tax created herein, be treated as references to the Xunaa Borough. **Exhibit I**, §§11.01-11.02. As a result, rules governing the assessment, collection, retention, payment, reporting, audit and enforcement of the seasonal sales tax, and any other aspect related to administration of that seasonal tax, shall be as set out in Chapter 4.04, as modified by the Charter to apply to the borough and areawide.

Under AS 29.45.670, any future amendment to rate of this tax requires voter ratification. Any other change may be made by the borough assembly by ordinance.

The charter provides that, if this tax should be limited or invalidated for some reason by a court, then the borough would be free to impose other taxes on an areawide basis.

To provide ample notice to borough merchants, and to allow merchants to timely integrate the new seasonal tax into their selling processes, the tax will not become effective until the calendar year following borough formation. The proposed budget, **Exhibit D**, assumes that the first tax year will be 2025.

Land Use, Zoning, and Community Development. Upon incorporation, all existing land use and community development ordinances, procedures, and policies of the former City of Hoonah will be enforced by the Xunaa Borough within the Hoonah Townsite Service Area. Upon its election, the Borough Assembly will appoint members of the Planning Commission, in accordance with the charter, who will undertake planning and zoning in the areas outside of that service area.

The areas of the proposed borough outside the former City of Hoonah are remote and independent, and residents are keen to preserve a lifestyle as free as possible from government intrusion. To that end, the Xunaa Borough Charter envisions that the borough assembly will form local advisory committees within these areas, which will report to the assembly on changes, *if any*, that the residents desire with respect to zoning rules or building codes. The charter precludes the assembly from enacting any such rule or code governing these remote areas until it has appointed such a committee and considered its report.

Land and parcels would be entered into the borough geographic information system in years 1 through 2. The Borough Planning Commission will oversee creation of a borough Comprehensive Plan and update to the borough zoning code. Preparing an initial comprehensive development plan to include the entire borough will occur within two years, with changes to areas outside of the Hoonah Townsite Service Area occurring at the pace of community involvement described above.

The Xunaa Borough will receive title to 10% of the state's vacant, unreserved, and unappropriated lands within the borough. The Comprehensive Plan will address land use in

these and other areas. Large landowners within the Borough such as the US Forest Service, State of Alaska, Huna Totem Corporation and Sealaska Corporation, the Mental Health Land Trust, and potentially the University of Alaska, as well as rural and remotely located residents and property owners and local community organizations, are key stakeholders in comprehensive planning and would be extensively consulted during plan preparation.

As set out in the projected borough budget in **Exhibit D**, it is estimated that the cost to retain an additional planner to help create and implement the new Borough Comprehensive Plan and Borough Code will be approximately \$117,240 in 2024 (with subsequent year increases to account for inflation).

Education. At the Assumption Date, the City of Hoonah School District will be dissolved, and all of its assets and liabilities will be transferred to the Xunaa Borough School District. The Borough School District will be responsible for K-12 education on an areawide basis. However, there does not appear to be any current demand for general K-12 education outside of the Hoonah Townsite Service Area. For example, Game Creek is an insular settlement with purposefully limited contact with the larger community, and Game Creek children are home-schooled. Elfin Cove and Funter Bay have no known school-age residents, with Funter Bay being almost entirely a seasonal recreational community.

Currently, the Hoonah School District owns and operates a K-12 school, with total current enrollment of 135. The district employs a superintendent, 12 certified teachers, 10 classified instructional aides and seven administrative employees. Petitioner does not project any increase in either capital or personnel requirements for the school district as a result of borough incorporation.

## **5.0 Hoonah Townsite Service Area**

As of the Assumption Date, the borough will perform all of the functions formerly performed by the City of Hoonah within the Hoonah Townsite Service Area. Generally speaking, the entire physical plant and all personnel of the City of Hoonah will be assumed by the Xunaa Borough. To begin with, City Hall, a building housing four municipal offices in one wing and leased space to the Alaska Court System in the other, will become the Xunaa Borough administrative center. The borough will assume the employment agreements with the 26 full-time City employees <sup>1/</sup>, as well as 5 part-time and 4 seasonal employees.

### **A. City Functions and Assets Being Assumed by the Borough Within the Hoonah Townsite Service Area**

Principal functions and assets that will be assumed by the borough within the Hoonah Townsite Service Area include:

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<sup>1/</sup> Those 26 are subdivided as follows: Public Safety (9); Public Works (5); Administration (5); Harbor Dept. (3); Utilities (3); Parks and Recreation (1).

Taxation. As set out in **Exhibit D**, and as the Xunaa Borough Charter provides, collection of the existing 6.5% sales tax for transactions within the boundaries of the former City of Hoonah (such boundaries becoming, at the time of incorporation, the boundaries of the Hoonah Townsite Service Area) will continue uninterrupted.<sup>2/</sup> These sales tax revenues are budgeted at \$2,199,999 for FY 2023. While subsequent year increases are conservatively estimated to only keep pace with inflation, actual increases (as well as increases in the city's (and borough's 6.5% alcohol excise tax) are likely to outpace inflation because of continued probable growth in the destination tourism facility at Icy Strait Point. See **Exhibit D, Notes**.

All other taxes and fee currently being collected with the City of Hoonah (as set out in **Exhibit D**) will likewise continue without interruption within the Hoonah Townsite Service Area.

Police Protection. The City of Hoonah Police Department (HPD) is the only municipal police agency on Chichagof Island. It is a full-service municipal police department for the City of Hoonah. HPD has a full-time police chief, with three sworn police officers (when fully staffed), and civilian employees that include a full-time administrative assistant, five full-time dispatchers, and several part-time dispatchers. HPD provides support and assistance to Hoonah's local Alaska Wildlife Trooper when requested. All members of HPD hold special training commissions from the Alaska State Troopers for this purpose.

The police department maintains two cells for incarceration. Longer incarceration terms are transferred to Lemon Creek Correctional Center in Juneau.

Upon incorporation, HPD would become the Xunaa Borough Police Department. Its authority would be confined to the Hoonah Townsite Service Area, with this exception: The HPD is under contract with the United States Forest Service to provide routine patrol for approximately 120 miles of USFS roads outside city boundaries. The contract provides for 40 hours/month of routine patrols, and emergency or non-routine responses consume another 20-40 hours monthly.

The USFS contract will continue under borough auspices, but there are no current plans to further extend borough police services beyond Hoonah Townsite boundaries. The remainder of the borough will be the responsibility of the Alaska State Troopers. There is currently one Trooper located on northern Chichagof Island. That Trooper is stationed in Hoonah. Off the road system, the Trooper (a wildlife trooper) patrols with a 27-foot patrol boat and a PA-18 Super Cub. As did the HBP, the borough police department may assist the Alaska State Troopers on individual investigations outside the Hoonah Townsite Service Area, but responsibility for the investigation will remain with the Trooper.

Fire and EMT Response. All of the members of the HPD are cross-trained as firefighters and EMT responders. A part-time fire chief supervises some 15 firefighting volunteers. On the EMT side, there is one full-time and one part-time EMT position, along

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<sup>2/</sup> The listed sales taxes in **Exhibit D** (ls, 25, 38-39) total only 5.5%. The other 1% sales tax is paid directly to the Hoonah School District and is thus not reflected in the general fund budget.

with currently 12 EMT volunteers. All of these positions will be transferred to the Xunaa Borough upon incorporation. Fire and EMT responses are likewise covered by the USFS service contract described above; but, beyond that contract, there are no current plans to extend borough fire or EMT services beyond the boundaries of the Hoonah Townsite Service Area.

Wastewater Disposal. The City of Hoonah own and maintains a new wastewater treatment and disposal plant, constructed at a cost of \$12.4 million and 100% funded by grants from the U.S. Department of Agriculture Rural Development program and the State of Alaska. *ADEC Permit No. AK-57-2022.* The new plant is still under warranty.

The new plant has a capacity of 500,000 gallons, far in excess of current usage. The plant collects wastewater from between 300–325 service lines within city boundaries. The plant serves the cruise ship area. And, while Icy Strait Point currently maintains its own treatment facility, there are plans for a lift station to directly connect Icy Strait Point to the municipal plant.

Wastewater disposal funding is supported by user fees and is part of a self-sustaining enterprise fund that does not require general fund assistance.

There are no current plans to extend the system beyond the Hoonah Townsite Service Area boundaries.

The Xunaa Borough will assume ownership and operation of the system.

Community Water System. The dammed reservoir at Ear Mountain, located approximately 7 miles from the city, is the city's community water source. Water is gravity-fed to two large storage tanks—one 810,000 gallons, the other 600,000 gallons. There, the water is treated and delivered to city residents under permits from ADEC (Permit No. AK 130067) and the federal EPA (Permit No. 2130067).

The plant has the capacity to produce 400,000 gallons of potable water daily, though city consumption averages about 175,000 gallons/day. Connections within the city are near universal, including Icy Strait Point.

As with the wastewater disposal system, water supply funding is supported by user fees and is part of a self-sustaining enterprise fund that does not require general fund assistance.

There are no current plans to extend the system beyond the Hoonah Townsite Service Area boundaries.

The Xunaa Borough will assume ownership and operation of the system.

Solid Waste Disposal. There is universal weekly solid waste collection throughout the city. The city's solid waste disposal facility is located approximately two miles outside the

city at the 900 ft. elevation of White Alice Road. It is permitted by ADEC (Permit No. SW3A059-22), and the facility has consistently received high marks from the agency for its compliance with state regulations.

As with the waste disposal and water supply systems, solid waste disposal funding is supported by user fees and is part of a self-sustaining enterprise fund that does not require general fund assistance.

Presently, the community of Game Creek does occasionally dispose of construction waste at the disposal site for a fee. Beyond that, there are no current plans to extend the system beyond the Hoonah Townsite Service Area boundaries.

The Xunaa Borough will assume ownership and operation of the system.

Boat Harbor. The City of Hoonah owns and operates the largest, and the only full-service, boat harbor within borough boundaries. The 241-slip boat harbor offers both moorage and comprehensive boat repair and storage facilities. These include a tidal boat grid and a haul-out facility aided by a 35-ton hydraulic trailer and a 220-ton travel lift.<sup>3/</sup> That is the largest harbor travel lift in northern Southeast Alaska.

The harbor offers both short- and long-term moorage, with 30–50 amp power, for boats up to 62 feet in length. *Id.* The harbor's boatyard has a capacity of 25 vessels (up to 95 ft.) for both boat storage and maintenance, relying on two experienced local shipwright companies to conduct boat repairs. Hoonah's marina facilities are comparable to those that a much larger community might expect, and the harbor and shipyard are used extensively by non-Hoonah residents. For example, on one typical June day in 2022, of the 225 occupied slips, 138 were being used by local residents, while 88 were occupied by nonresidents. Nonresidents rent slips, often on a longer-term basis, support boroughwide excursions such as permitted travel to Glacier Bay, fishing charters throughout Icy Strait, and tours/charters associated with Icy Strait Point.

The Xunaa Borough will assume ownership and operation of the harbor.

Road System. The city owns and maintains approximately 11.9 miles of improved roads within the city. It also maintains approximately .2 miles of U.S. Forest Service Roads within the city. The rights of way for these roads, and the maintenance thereof, will be assumed by the Xunaa Borough. There are no plans to extend the road system outside the city. The U.S. Forest Service does maintain most of the gravel forest roads within the proposed borough boundaries, and that maintenance would be unaffected by borough formation.<sup>4/</sup>

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<sup>3/</sup> <https://www.cityofhoonah.org/harbor>

<sup>4/</sup> Outside the City of Hoonah but inside the proposed borough boundaries, the USFS is responsible for maintaining approximately 250-300 miles of forest road. Some 148 miles are maintained for passenger vehicles while another 49 are maintained for high clearance vehicles. The remainder are currently being maintained only to preserve fish passage.

There are no current plans to extend the city road system beyond the present boundaries.

### **B. Third Party Assets Within City That Will Not be Assumed by the Borough**

There are three municipal services within the city that are currently being provided by a third party. In each case, the third party will continue to own the facilities and provide the service after borough formation:

Electric Power Generation and Transmission. The Hoonah power plant is owned and operated by the Inside Passage Electrical Cooperative (“IPEC”). Opened in 2012, the plant contains four diesel generators with a combined capacity of approximately 3 megawatts. Its construction cost was approximately \$4.5 million, which was funded by grants from the State of Alaska and the Denali Commission.

In August 2015, the IPEC brought online the 425 kW Gartina Falls hydro project. It was built at a cost of \$10 million. \$8 million was provided by a State of Alaska renewable energy fund grant, and the remaining \$2 million was financed by IPEC. Because of the Gartina Falls project, approximately 30% of the City of Hoonah’s power needs are currently being met by renewable hydro power. A second run-of-the-river hydro facility along Water Supply Creek is in the final design stage. When constructed, Hoonah will be receiving 60% of its power from hydro sources.

These power generation facilities currently serve 815 customers, all within the City of Hoonah. Peak demand is approximately 800 kW; as a result, there is more than ample capacity for power growth within the City of Hoonah. However, and given the distances involved, extending that power to more remote areas of the proposed borough is cost prohibitive. The infrastructure does exist to extend power to the Whitestone Logging Camp near the City of Hoonah; however, that camp is currently unoccupied.

Upon borough formation, IPEC will continue to provide power to residents of the Hoonah Townsite Service Area. Incorporation will have no effect on IPEC’s investments or activities.

Medical Facilities. The Southeast Alaska Regional Health Consortium (“SEARHC”) maintains a health clinic in the City of Hoonah comprising two nurse practitioners, two community health aides, a dental health aid therapist, a behavioral health clinician, and a drug and alcohol clinician.<sup>5/</sup> The clinic operates in a new, spacious facility near the Hoonah Airport. There is no comparable health facility within the proposed borough boundaries.

The SEARHC clinic routinely treats patients from outside the city limits. The clinic’s operations will not be affected by borough formation.

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<sup>5/</sup> / <https://www.cityofhoonah.org/hoonah-searhc-clinic>; see also <https://searhc.org/location/hoonah-health-center/>

Hoonah Airport. The State of Alaska owns and operates the only wheeled aircraft-capable airport in the borough. Alaska Seaplanes uses the airport to provide daily scheduled air service between Hoonah and Juneau. With its 3367 ft. runway and instrument and nighttime landing capabilities, Hoonah's airport is available for emergency air medical evacuations. Hoonah's volunteer EMT team coordinates with the U.S. Coast Guard and Guardian Flight for medivac needs outside the City's boundaries.

The State of Alaska will continue to own and operate the airport after borough formation.

## **6.0 Extension of Hoonah Townsite Services; Additional Service Areas**

As described above, through a contract with the USFS, the City of Hoonah already provides certain law enforcement and emergency response services within the proposed borough boundaries outside the Hoonah Townsite Service Area. In addition, the Hoonah harbor is available to, and used by, boaters throughout the proposed borough. For its part, the SEARHC clinic is open to any person, and it is the only health clinic within the proposed borough boundaries. These services will continue at their present level.

As all of the borough's powers are areawide, and their application thus capable of being extended throughout the borough, the borough charter allows for additional services to be provided outside the boundaries of the Hoonah Townsite Service Area through the creation of additional service areas. Any such decision would require consultation with the affected community or area, and any prediction regarding the location of any such area, or the services that might be provided, would be mere speculation at this time.

## **7.0 Community Facilities Outside Hoonah Townsite**

None of the three population centers outside of the Hoonah Townsite Service Area—Funter Bay, Game Creek, and Elfin Cove—own or operate facilities for community services such as solid and sewage disposal. The Alaska Department of Transportation and Public Facilities does maintain a dock/small plane base at both Funter Bay and Elfin Cove. Power generation in these communities is handled as follows:

- There is no community power source in Funter Bay. It is comprised almost entirely of seasonal residents who are responsible for their own power generation;
- The residents of Game Creek operate a diesel generator through volunteers; and
- The Community of Elfin Cove Non Profit Corporation, DBA Elfin Cove Utility Commission, currently maintains a diesel generator (Regulatory Commission of Alaska Cert. 701) and has applied to the Federal Energy Regulatory Commission for permission to build a hydroelectric facility. *87 FR 39509* (July 1, 2022).

## **8.0 Expenses of Transition**

As set out in the projected budget (**Exhibit D**), transition expenditures include:

- \$5,000 in GIS/mapping expenses associated with mapping the new borough;
- \$60,000 in legal fees associated with transition; and
- \$40,000 in other expenses, such as initial education/enforcement measures associated with the new 1% areawide seasonal sales tax and expenses related to transition of the school district.

**9.0 Consultation**

3 AAC 110.900(c) requires that this transition plan “be prepared in consultation with the officials of each existing borough, city, and unorganized borough service area wholly or partially included within the [proposed borough] boundaries...” There are no boroughs, cities, or REAAs within the proposed Xunaa Borough. Nonetheless, the petitioner has undertaken considerable consultation with potentially interested parties in preparation of this petition. A summary of that consultation follows.

Formal consultation began in November 2017, when the City of Hoonah retained the firm of Navigate North to bring together surrounding communities, as well as area public and tribal institutions, to discuss the possible formation of a regional borough. Among others, invitations were extended to:

- the cities Gustavus, Pelican, and Tenakee Springs;
- the community of Elfin Cove;
- Hoonah Totem Corporation, Sealaska Corporation, and the Hoonah Indian Association; and
- the Chatham School District.

Thereafter, the City of Hoonah and Navigate North, at the invitation of the cities of Pelican, Gustavus, and Tenakee Springs, participated in quite well-attended public meetings in those communities. The dates of the meetings were:

Gustavus	February 5, 2018
Kake	March 5, 2018
Tenakee Springs	April 3, 2018
Pelican	May 9, 2018

The city councils of each of the involved cities (Hoonah, Pelican, Gustavus, and Tenakee Springs), as well as the Chatham School District and the USFS Hoonah Ranger District, appointed representatives to a task force to steer the initial discussions of possible borough formation. Task force members included:

Individual	Representing	Title
Patricia Phillips	City of Pelican	Mayor

Barbara Mirada	City of Gustavus	Mayor
Jake Ohlson	City of Gustavus	Vice Mayor
Steve Lewis	City of Tenakee Springs	Council Member
John Walters	City of Tenakee Springs	Council Member
Molly Kemp-Olmstad	Community of Tenakee Springs	Community Resident
Megan Moody	Community of Tenakee Springs	Community Resident
Susan Sciabarrasi	Chatham School Dst.	Superintendent
Ann Hilburn	Chatham School Dst.	District Superintendent
Chad VanOrmer	USFS Hoonah Ranger Dst.	Deputy Regional Forester
Melissa Kookesh	Kootznoowoo, Inc.	Chair of the Board

From those meetings and task force discussions, Navigate North prepared an October 2018 report listing issues surrounding borough formation. To respond to those issues, on January 21, 2019, the Hoonah City Council chartered a Borough Formation Commission. The Commission's members included:

<b>Member</b>	<b>2018 Position/Representing</b>
Rob Bishop	Game Creek resident
Lucas Clark	Game Creek resident
Ian Johnson	Environmental Coordinator; Hoonah Indian Association
Bill Mills	Saltwater Guide
Ralph Watkins	Hoonah City Schools Superintendent (currently Superintendent of Chatham REAA School District)
Frank Wright, Jr.	Hoonah Indian Association Tribal President
Jeff Skaflestad	Retired Teacher and Artist
Jackie Dick	Retired Banker
Mark Smith	USPS Postmaster, Hoonah <sup>6</sup> /

Between January–May 2019, the Commission met 12 times, ultimately producing the basic elements of the proposed Xunaa Borough, which were then incorporated in the draft petition submitted to the LBC for informal review on October 4, 2019.

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Consultation resumed subsequent to the COVID-19 pandemic and in conjunction with the current petition. Consultation included:

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<sup>6</sup> / Participating in personal, not professional capacity.

**Funter Bay**

June 10, 2022. Email to Funter Bay property owner Gordon Harrison: (i) describing the possible inclusion of Funter Bay in the Xunaa Borough; (ii) setting out key elements of the new borough as it would pertain to Funter Bay; and (iii) soliciting Mr. Harrison's assistance in assembling Funter Bay property owners for a Zoom call to discuss borough formation.

June 11–June 27, 2022. Multiple emails to/from Mr. Harrison arranging for community Zoom call. Mr. Harrison advised that he is coordinating with Marge Osborn, another Funter Bay property owner who maintains a Funter Bay property owner mailing list. A Zoom call is set for July 12.

July 1, 2022. By email, Ms. Osborn advises that she has sent notice of the Zoom meeting all persons on the Funter Bay mailing list.

July 1–12, 2022. Numerous additional emails to/from Mr. Harrison and Ms. Osborn regarding distribution of Zoom notice occur over this period. By the time the Zoom meeting begins, the City of Hoonah received "acceptances" from each of the following (all of whom participated in the Zoom call):

Gordon Harrison  
Marge and Tom Osborn  
Bob MacKinnon  
Reed Stoops  
Steve and Joan Gilbertson  
Kim Brady  
Skip Siegenthaler  
Linda Blefgen and Delbert Carnes family  
Deb Manion  
Ben Musielak  
Sandra Sylva  
Ken Spencer  
Nadine Trucano  
Larry Vavra

July 12, 2022. During a lengthy Zoom call, the Funter Bay property owners conveyed a number of points including: (i) the condition of the DOT&PF maintained Funter Bay boat dock, and the role that the Xunaa Borough might play in securing funding for needed repairs; (ii) the owners' desire to maintain their independent lifestyle free of urban government interference; and (iii) their desire to avoid real property taxation, particularly given that few if any services would be provided in return.

August 26, 2022. Via email exchange, Mr. Harrison queried on the status of the Xunaa

Borough petition.

February 10-11, 2022. Multiple email exchanges with Mr. Harrison and Marge Osborn on estimates of residential structures in Funter Bay. Estimates ranged from 26-30, “many of which have only very rough buildings that might best be described as shacks.”

### **Pelican**

June 23, 2022. Letter to Pelican Mayor Patricia Phillips outlining key elements of the proposed Xunaa Borough and inviting dialogue with City of Pelican on that city’s questions and concerns.

June 23—July 13, 2022. Numerous emails to/from Mayor Phillips and Pelican City Attorney Paul Grant regarding details of City of Hoonah’s appearance before the Pelican City Council on July 13 to discuss borough formation.

July 13, 2022. Lengthy presentation and discussion before Pelican City Council at its regular meeting regarding possible inclusion in borough, with emphasis on school issues, Pelican resident voting strength and ability of Pelican to continue functioning at a city.

Sept. 7, 2022. Letter to Mayor Phillips regarding impact of borough joinder on Pelican School financing. The letter indicated that, in the City of Hoonah’s view, joining the borough would result in a higher student funding allocation in the event that Pelican School’s enrollment declined.

Sept. 9-27, 2022. Multiple email exchanges with Mayor Phillips and City Attorney Grant seeking clarification of school financing issue. The Sept. 27 email also requested the City of Pelican to provide its “conceptual views” of borough inclusion “within the next month.”

October 14, 2022. By email, Mayor Phillips advises that “[a]t this time, the Pelican City Council does not support being a part of the Xunaa Borough,” citing the possibility of Pelican’s annexation of certain adjoining areas, implying that inclusion in the borough might impair those efforts. An acknowledgement email was sent to Mayor Phillips on October 15.

### **Chatham School District**

June 27, 2022. Email to Ralph Watkins, Superintendent of the Chatham School District, outlining key elements of the proposed Xunaa Borough and inviting dialogue with the Chatham School District on the district’s questions and concerns.

July 13-14, 2022. Follow up email to Superintendent Ralph Watkins inviting dialogue with the Chatham School District on the district’s questions and concerns. Mr. Watkins advised that he has shared the June 27, 2022 email with the Board, but found it

difficult to address concerns without a definitive borough map and invited a meeting with himself and a member of the board if necessary. It was agreed between the parties that a meeting could wait until a decision with regard to the inclusion of Gustavus and Tenakee Springs had been made.

November 4, 2022. Email to Ralph Watkins, Superintendent of the Chatham School District, notifying that Gustavus and Tenakee Springs would not be included, that the school district would be unaffected by borough formation, and inviting further dialogue with the Chatham School District on any questions and concerns the district may have.

November 4, 2022. Reply email from Mr. Watkins seeking clarification of effect of borough formation on Chatham School District.

November 22, 2022. Email to Grant Robinson, Public Information Officer with the Alaska Department of Education and Early Development (“DEED”), with regard to the Chatham School District to confirm that our research found nothing indicating that incorporation would have any effect on the Chatham School District.

November 23, 2022. Email to Ralph Watkins, Superintendent of the Chatham School District confirming that our research found nothing indicating that incorporation would have any effect on the Chatham School District.

#### **Alaska Department of Education and Early Development**

December 2, 2022. Letter sent to Acting Commissioner Heidi Teshner, DE&ED: (i) outlining key elements of the proposed Xunaa Borough (ii) stating Petitioner’s belief that AS 14.12.025 did not apply to conversion of city school district to borough school district by operation of law; and (iii) requesting, in any event, DEED’s concurrence that the new borough school district will be in the best interest of both the state and the school district. The Office of the Commissioner replied with its receipt of the letter and that it would review and respond to the letter. **Exhibit EE.**

January 25, 2023. Followup letter sent to Acting Commissioner Heidi Teshner, DE&ED, again stating Petitioner’s belief that AS 14.12.025 did not apply to conversion of city school district to borough school district by operation of law, and requesting, in any event, DEED’s concurrence that the new borough school district will be in the best interest of both the state and the school district. The letter enclosed the proposed charter, brief and transition plan that had been sent to the Local Boundary Commission staff for informal review, as well as more detailed maps. **Exhibit FF.**

February 8, 2023. Email, Jon Tillinghast to Laurel Shoop, DE&ED, asking for DE&ED’s prompt action on Petitioner’s request. Return email from Ms. Shoop stating “[w]e will review and return a response to you soon.” There has been no further response to date.

**Alaska Department of Natural Resources**

June 13, 2022. Email to Ben White, Division of Mining Land and Water, Alaska Department of Natural Resources (“DNR”), Southeast Regional Land Office, outlining key elements of the proposed Xunaa Borough, requesting identification of DNR properties in the proposed borough boundaries, and inviting further dialogue with the DNR.

August 18, 2022. Follow up email to Mr. White regarding June 13 email.

September 28, 2022. Response email from Mr. White advising that DNR does not have the capacity to research mapping as requested and providing information to the DNR’s mapping tool to assist with a preliminary review of the same. Mr. White further requested a follow up meeting to include DNR’s land conveyance section to coordinate efforts.

November 21, 2022. Email to Mr. White providing several dates for a meeting between the parties and several agenda items for discussion.

December 2, 2022. A Zoom meeting with Hoonah principals and attorney is held with Megan G. Hillgartner, DNR Natural Resource Manager, and Rachel Longacre, DNR, Chief, Land Conveyance Section. The meeting covered an inventory of DNR properties within the borough; procedures for obtaining more detailed information on DNR properties; and an overview of DNR’s municipal land selection process.

**Inside Passage Electric Coop**

May 25, 2022. Email to Jodi Mitchell, CEO, IPEC, raisings questions about IPEC potential power generation within area covered by proposed borough.

June 3, 2022. Follow-up email to J. Mitchell.

June 7, 2022 (appx.). Phone conversation, Jon Tillinghast and J. Mitchell, regarding IPEC plans within proposed borough and possible coop concerns or questions.

**Alaska Department of Transportation & Public Facilities**

June 22, 2022. Email to Lance Mearig Alaska Department of Transportation and Public Facilities (“DOT&PF”) Southcoast Region Director, outlining key elements of the proposed Xunaa Borough, requesting identification of DOT&PF assets located in the proposed borough boundaries, and inviting further dialogue with DOT&PF. Mr. Mearig acknowledged the request and advised that DOTPF would respond with the requested information.

July 15, 2022. Email from Joanne Schmidt, DOT&PF Planner, with regard to the June 22 email.

October 8, 2022. Email to Ms. Schmidt requesting dates/times for a meeting between the parties and several agenda items for discussion. Reply email with date and time.

October 10, 2022. Phone call with Ms. Schmidt regarding identifying DOT&PF facilities within borough boundaries.

November 10, 2022. Email from Ms. Schmidt containing maps marked with DOT&PF facilities within borough boundaries.

November 14-17, 2022. Emails to/from Ms. Schmidt clarifying information contained in the DOT&PF facility maps and requesting further information.

### **Elfin Cove**

June 23, 2022. Letter to the Community of Elfin Cove President Wayne Stauffer outlining key elements of the proposed Xunaa Borough and inviting dialogue with Community of Elfin Cove on any questions and concerns the community may have.

July 11, 2022. Phone communication with Mary Jo Wild regarding the June 23, 2022 letter to Elfin Cove. Ms. Wild requested that the June 23 letter be emailed to her, which was completed the same day. No questions or issues were raised. No response has been received to date.

### **Game Creek**

June 23, 2022. Letter to Game Creek Community outlining key elements of the proposed Xunaa Borough and inviting dialogue with Community of Game Creek on any questions and concerns the community may have and no response.

November 7, 2022. City of Hoonah Administrator Dennis Gray spoke to Dave Austin, Game Creek Elder regarding the June 23, 2022 letter and a potential response. Mr. Austin stated that he would get back to Mr. Gray.

November 17, 2022. Robert Clark, Game Creek Elder, came to Hoonah City Hall and let Mr. Gray know that they would be having a community meeting that evening and would be discussing the borough issue. The main concern was that they did not want to have a property tax levied on their property. Mr. Gray assured Mr. Clark that the borough charter enshrined the fact that property tax would not be levied in the Xunaa Borough.

November 18, 2022. Robert Clark, Game Creek Elder, called and told Mr. Gray that Game Creek will support the Borough's incorporation efforts. Game Creek has requested that Mr. Gray come out to the community and answer questions from their members. A community meeting will be scheduled.

June 26, 2023. Letter, Robert Clark, President, Mt. Bether Bible Center, to City of Hoonah, stating that, because of the perceived possibility that zoning or building code rules could be imposed on Game Creek in the future (although the draft Charter provides

that the borough assembly will “take no action on any zoning ordinance or building code governing [in] such community or area until it has convened an advisory committee under this section and considered its report”), the Bible Center “cannot currently support the borough proposal as written.”

### **Glacier Bay National Park**

June 10, 2022. Email to the Superintendent of the Glacier Bay National Park and Preserve requesting information regarding Bartlett Cove residents and requesting contact information for a National Park Service (“NPS”) employee with whom the City of Hoonah can open further dialogue regarding the proposed Xunaa Borough formation.

June 22, 2022. Reply email from the Superintendent of the Glacier Bay National Park and Preserve advising that Bartlett Cove is part of the City of Gustavus and further advising that the NPS has a neutral stance on the proposed Xunaa Borough formation.

September 13, 2022. Email to Mary Moss, Tribal Liaison of the Glacier Bay National Park and Preserve requesting information with regard to Hoonah’s presence in the park, including Hoonah Indian Association’s entry rights and tribal presence, and Hoonah residents permit information.

September 19, 2022. Email from Ms. Moss outlining Hoonah Indian Association’s presence in the park, adding that she was unable to respond with regard to Hoonah Commercial Fishing Lifetime Access Permit holders without a FOIA request. A FOIA request was subsequently filed with the NPS and the lifetime permit information was provided.

### **Gustavus**

June 23, 2022. Letter sent to Gustavus City Administrator Tom Williams outlining key elements of the proposed Xunaa Borough and inviting dialogue with City of Gustavus on that city’s questions and concerns. **Exhibit U.**

July 14, 2022. By email, Mayor Mike Taylor provided a letter response opposing borough joinder. Mayor Taylor stated that “[w]e will make the best progress as independent municipalities,” adding that “the probability of incorporation success is higher if Gustavus is not included in the proposal,” implying that inclusion in the borough might impair those efforts. **Exhibit V.**

### **Huna Totem Corporation**

June 2, 2022. Email to Fred Parady, Chief Operating Officer of Huna Totem Corporation, introducing proposed borough elements and recommending phone conversation.

June 22, 2002. Phone conversation, Jon Tillinghast and Fred Parady, regarding possible effects of borough incorporation on Hoonah Totem.

November 17, 2022. City of Hoonah Administrator Dennis Gray emailed Fred Parady with regard to Huna Totem's position regarding the Xunaa Borough formation efforts.

November 21, 2022. Mr. Parady emailed Dennis a copy of the letter of support for the Xunaa Borough formation efforts. **Exhibit X.**

### **Hoonah Indian Association**

July 8, 2022. Phone call, Hoonah attorney Jon Tillinghast to Nathan Moulton, Tribal Administrator of Hoonah Indian Association ("HIA"). Discussion included: essential elements of borough formation and solicitation of Tribal' concerns and questions regarding the proposed borough.

July 15, 2022. City of Hoonah Administrator Dennis Gray emailed Nathan Moulton with regard to the Xunaa Borough formation efforts with information outlining key elements of the proposed Xunaa Borough and inviting dialogue with HIA regarding the same. Mr. Moulton replied to the email stating his intent to share the information with the HIA Tribal Council. No questions or issues were raised at that time.

September 7, 2022. Emails, Jon Tillinghast to Nathan Moulton, asking for information on tribal use and historical links to Glacier Bay and related filings with FCC.

September 7, 2022. Email, Nathan Moulton to Jon Tillinghast, providing information requested by Tillinghast in email earlier this date.

September 8, 2022. Multiple emails exchanged between Nathan Moulton and Tillinghast regarding FCC filings and Tribal agreements with Glacier Bay NPS.

September 9-28. Multiple emails between Julie Jackson, Tribal Ops/Cultural Director HIA, and Tillinghast, regarding history of Berg Bay (within Glacier Bay).

January 5, 2023. Letter, Nathan Moulton to Dennis Gray, conveying Tribe's endorsement of the Xunaa Borough petition. **Exhibit Z.**

### **Mental Health Lands Trust**

June 13, 2022. Email to Jeffrey Green, Deputy Director of the Trust Land Office, outlining key elements of a phone conversation confirming that the Alaska Mental Health Lands Trust (the "Trust") sold its parcels around Tenakee Springs, Elfin Cove, and Pelican. Mr. Green was advised that the Trust Land Office (the "TLO") would be notified of any movement on the Gustavus issue and, if needed, further discussion on the same then. Mr. Green acknowledged the same.

June 13, 2022. Email to Chandler Long, Trust Resource Manager of the TLO, outlining key elements of the proposed Xunaa Borough and requesting information with regard to parcels that may be within the proposed borough boundaries and inviting dialogue with the TLO regarding the same.

July 13, 2022. Mr. Long responded to the June 13 email advising that the Trust did own “at least three 40 acre parcels” within the proposed borough boundaries and that the Trust and TLO would not support a new local platting authority or other action outside of the Trust’s and TLO’s mission. He further requested that TLO be included in future planning actions.

August 22, 2022. Email to Mr. Long acknowledging TLO’s concerns and advising that Hoonah’s reading of the statute is that DNR would continue to be the platting authority unless and until the borough expands that authority at some point in the future.

August 24, 2022. Reply email from Mr. Long confirming that DNR remains the platting authority at this time.

November 4, 2022. Email to Mr. Long requesting location of parcels within the proposed borough referenced in Mr. Long’s July 13, 2022 email, and asking if the TLO had any other questions on concerns other than the platting issue described above. No response has been received to this email.

### **Sealaska Corporation**

June 13, 2022. Email to Jaeleen Kookesh, Vice President, Policy & Legal Affairs, Sealaska Corporation, requesting a point of contact to open dialogue with Sealaska with regard to the Xunaa Borough formation efforts.

July 12, 2022. Follow up email to Ms. Kookesh with regard to the June 13 request.

November 21-22, 2022. Multiple email exchanges between Hoonah City Attorney James Sheehan and: (i) Sealaska CEO Anthony Mallott; and (ii) Ms. Kookesh, regarding issues raised by borough petition, specifically, possible concerns of Angoon and the possible imposition of any raw fish tax—a tax that is not being proposed in this Petition.

### **Tenakee Springs**

June 23, 2022. Letter sent to Mayor Dan Kennedy of City of Tenakee Springs and City Attorney Joseph N. Levesque outlining key elements of the proposed Xunaa Borough and inviting dialogue with Tenakee Springs on any questions and concerns the city may have. There was no reply.

September 13, 2022. Follow-up letter sent to Mayor Kennedy and City Attorney Levesque again outlining key elements of the proposed Xunaa Borough and inviting dialogue with Tenakee Springs on any questions and concerns the city may have requesting a response by September 30, 2022. No response has been received to date.

**U.S. Forest Service**

June 10, 2022. Email to Michael Downs, District Ranger, Hoonah Ranger District, United States Forest Service (“USFS”), requesting information regarding forest road, permits, development projects, land transactions, and land holdings within the Hoonah Ranger District to assist with development of the petition.

June 13, 2022. Email from Marlene Duvall, Supervisory Natural Resource Specialist, Hoonah Ranger District, USFS, acknowledging request and indicating USFS would respond.

July 8, 2022. Email from Ms. Duvall providing information requested in June 10 email.

August 18, 2022. Email from Connie Adams, Regional FOIA Coordinator/Controlled Correspondence, providing additional information requested in June 10 email and providing a link to view land status records.

**University of Alaska Land Management**

December 5, 2022. Letter sent to Land Management Director Adrienne Stolpe of the University of Alaska Land Management outlining key elements of the proposed Xunaa Borough and inviting further dialogue, questions, and concerns. No response has been received to date.