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**Sent:** Tuesday, February 20, 2024 2:18 PM  
**To:** Commission, Boundary (CED sponsored)  
**Subject:** Elfin Cove and the proposed Xunna Borough

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To Alaska Local Boundary Commission-comments on the proposed Xunna Borough

Constitution of State of Alaska

Article X Sec 1

Purpose of this article is to provide for a maximum local self-government with a minimum of local government units...

and a liberal construction shall be given to the powers of local government units.

Article X Sec 6

The Legislature shall provide services as it deems necessary or advisable in the unorganized borough, allowing for maximum local participation and responsibility.

The Constitution firmly endorses local government in Article X Sec 1 and 6.

Community associations were created under Alaska Statute in order for villages, towns, areas of population outside of an organized borough, would have access to State monies that the oil wealth generated to the State. In 1981 Elfin Cove filed Articles of Incorporation, created a set of By-Laws and paid a filing fee to form the Community of Elfin Cove Non-Profit Corporation (CECNPC) as a community association. As a non-profit CECNPC is tax exempt as all money received through revenue sharing grants, state or federal grants or loans awarded are spent on community services. Though lacking taxation, zoning and planning powers, other Alaskan community associations such as CECNPC have also been able to develop, improve and maintain their communities.

Through necessity, CECNPC successfully has assumed the responsibilities of local government and even services often provided by the private sector.

Through the use of legislative grants, revenue sharing grants, and other state grants and loan programs, CECNPC has developed, improved and maintained the community access to fuel, electricity, safe water, emergency medical services, U.S. Postal Service, an indoor recreation area, meeting and record keeping rooms, a repository of the community's past in The Elfin Cove Museum, and a continuing effort to secure alternative energy as hydropower.

A legislative grant provided for a reconnaissance level alternative energy study compiled in the early 1980's. Additional grants since financed a hydro electric project application which was submitted to FERC in 2021 and was approved 1/26/24. Grants paid for the area-wide electrical distribution system and diesel generator house and generators that were not in place and needed to be prior to a hydro system construction. The entity Elfin Cove Utility Commission (ECUC) was formed under the regulatory commission to sell electricity. ECUC employs two people.

Grants paid for the land and construction of a Community Building. The building leases space to the United States Postal Service for the local post office. A lease for school space with the REAA Chatham School District was also in place during the years 1984 to 1998. There is a medical room that volunteers have maintained through various EMS grants. Also in this building are a local museum, multi-purpose room, a kitchen, a meeting room, two offices and two restrooms. The building is operated and maintained by volunteers.

When the private owner of the fuel facility and marine fuel dock went out of business, ECNPC used grants to buy the tank yard and pipelines to the dock.

In 1995 an EPA inspection condemned the fuel tanks. A no interest 30 year loan was procured by CECNPC from the State for new tanks, fuel lines and dock upgrades. That loan has continued to be repaid on time annually. The tidelands under the fuel dock were bought as part of the sale of the property of the land under the community building and generator house. CECNPC also leases dock space adjacent to its fuel dock to a seasonal commercial fish buyer. The fuel dock employs a manager, a fuel dock attendant and a bookkeeper.

Grants, one Revenue Sharing and one Village Safe Water were used to improve the Cove's drinking water supply. This includes two spring boxes, a water tank and distribution lines to every residence and two public docks in Elfin Cove. The water is certified by DEC and water tests are routinely submitted for lab analysis. There is no charge for the water and volunteers perform testing duties and maintenance. Donations from users are received and used for upkeep and maintenance. There is no paid water operator. Volunteers perform any tasks required.

There have been many government to government interactions since 1981. Some examples of interactions are CECNPC with State of Alaska DOT concerning boardwalks and docks, CECNPC with USFS concerning various forest management programs, CECNPC with US Army Corp Engineers concerning harbor dredging projects and CECNPC leasing community building space to the USPS for a post office and NOAA for a tide gauge station. CECNPC was awarded over \$500,000 by the federal government for compensation when the feds closed down Glacier Bay. CECNPC voted to give half of the funds to a local non-profit, Cross Sound Marketing Association (CSMA), to buy upland and waterfront property and buildings. CSMA concentrated on marketing local caught fish, operating a store, liquor store, laundromat, rental units and providing dock space. CSMA's endeavours benefit the commercial fishing fleet and others and that helps keep the local economy diversified.

A volunteer fire department is in existence. There is a fire department building owned by CECNPC which houses the fire fighting equipment. We also shovel and plow snow to keep the State boardwalks walkable and State public floats from sinking and taking private boats down with them.

CECNPC has been very successful in establishing, developing, and maintaining all the services necessary to support rich social, economic, and family life. These efforts include maintaining and repairing State of Alaska owned systems that the State has ignored for many years. It is hard to believe that should a Xunna borough be formed that includes Elfin Cove that they would be sending maintenance people over to repair a collapsed boardwalk plank or a broken dock piling bracket on their now owned State property. We have been successfully self-sufficient and desire to continue.

The preceding duties and responsibilities of CECNPC are not all inclusive as some things may have been unintentionally overlooked.

3 AAC 110.981

"Commission will consider for merger or consolidation of municipalities, whether the proposal would expand or diminish the level of local government currently

provided by the municipalities being merged or consolidated."

Including Elfin Cove in the Xunna borough would definitely diminish the existing level of local government. CECNPC can now make decisions at local meetings attended by members and take action accordingly. This ability to manage our affairs would be diminished under Borough management. Management would shift to the Borough assembly located in Hoonah. The overlay of Borough government would eliminate local government, CECNPC, and could quite possibly curtail any desire of Elfin Cove citizens to engage in active participation with the Xunna Borough.

We also feel insecure about what a distant Xunna borough would do when it acquires the three parcels of State land adjacent to our townsite, USS 12199 Lots 1,2 and 3. It could develop and establish businesses or enterprises that our existing infrastructure could not support and destroy the balance of responsibility and effort we employ as volunteers to keep our community vital and viable.

Elfin Cove, organized as a community association, should as the Constitution and laws stipulate, receive full consideration as any other Alaskan municipality in terms of being recognized as a local governmental entity.

## Boundaries

3 ACC 110.060 (d)\

" Absent a specific and persuasive showing to the contrary, the Commission will presume that an area proposed for incorporation that is noncontiguous or that contains enclaves does not include all land and water necessary to allow for the development of essential municipal services on an efficient, cost-effective level."

CECNPC has addressed numerous LBC standards which present a " ...specific and persuasive showing to the contrary... ". 3 ACC 110.060 (d) stipulates consideration as to why the LBC should consider leaving Elfin Cove in the unorganized borough. There is more unorganized borough land in SE Alaska than organized borough land. In fact in all of Alaska the unorganized borough occupies more land than boroughs. Allowing Elfin Cove to remain in the unorganized borough is just a matter of the size of exclusion designated.

The incorporated communities of Tenakee, Pelican, and Gustavus were asked by Hoonah and have told Hoonah they don't want to be included in the Xunna Borough. Hoonah has excluded them within their proposed Xunna borough boundary. Elfin Cove was never asked, not by Hoonah's 2018-18 outreach nor in a letter sent to CECNPC in 2022. CECNPC does not want to be included in the Xunna Borough. CECNPC requests that LBC adjust such, as per their authority granted by the Constitution, Article X Sec 12, any potential Xunna borough boundary will not include Elfin Cove.