



October 27, 2017

Curtis Melcher, Director
Oregon Department of Fish & Wildlife
4034 Fairview Industrial Drive SE
Salem, OR 97302

Dear Director Melcher,

I am writing in regard to the Oregon Department of Fish and Wildlife's (ODFW) 2010 application to exchange 0.5 cfs of spring water (currently supplying water to ODFW's salmon hatchery) for 0.5 cfs of City of Cascade Locks (City) groundwater. This application was in response to requests by the City in pursuit of its plans to supply water to a proposed Nestle water bottling plant. Under the exchange application, both ODFW and the City would retain their existing water rights, but the sources of water would be swapped.

It is the City's decision whether to use its water rights to supply water to the proposed Nestle plant. However, decisions whether to approve applications to exchange water are made by the Oregon Water Resources Department (OWRD) or its Commission. I am aware that ODFW and OWRD have already expended significant resources, including legal costs, on this matter. Further, I understand that OWRD's processing of the proposed exchange would take significant staff resources and legal costs for expected challenges and court appeals.

This is of particular concern given the uncertainty around the City's plans for a Nestle plant. In 2016, 69% of Hood River County voters passed a ballot measure to amend Hood River County's Charter to prohibit any operation that produces more than 1,000 gallons a day of bottled water for commercial sale. This law makes the ultimate goal of the proposed water exchange uncertain.

At a time when I have asked all state agencies to tighten their belts, and asked the PERS UAL Task Force to develop recommendations to address legacy unfunded liabilities that affect the state budget, I find it irresponsible to incur additional significant state costs for an uncertain outcome. For these reasons, I am asking that you withdraw the ODFW exchange application.

At the same time I am requesting this action of you, I am also asking my Regional Solutions Office and Business Oregon to work with the City and the Port of Cascade Locks to redouble efforts to address key economic development needs, more important than ever in the wake of the devastating Eagle Creek fire.

Sincerely,

Governor Kate Brown