



Request to Continue Processing Response Form

Application Number: **S-90019**

Applicant(s): **HISTORIC HOTLAKE INC.**

Please read the enclosed Initial Review for this water right permit application. If you would like the Oregon Water Resources Department (Department) to continue processing this application, you must provide the Department with a written request to continue processing AND pay any remaining fees due by the deadline below. You are encouraged to use this response form. If you do not request processing to continue OR do not pay the remaining fees by the deadline below, the file will be closed, and no further action will be taken.

If you would like the Department to continue processing this application, a written request to continue processing AND payment of remaining fees must be received by the Department on or before:

November 5, 2026

If the Department does not receive a written request to continue processing AND payment of remaining fees on or before the above date, the application file will be CLOSED, and no further action will be taken.

Fees Required to Continue Processing:

Total examination fees required:	\$3,480.00
Fees already paid:	\$2,088.00
Permit recording fee:	\$915.00
Remaining fees required:	\$2,307.00

This is the amount that must be received by the Department along with your written request if you would like the Department to continue processing.

Please note, payment of the permit recording fee is required to ensure there are no processing delays if this application is approved and a permit is issued. Payment of this fee does not guarantee your application will be approved. The permit recording will be reimbursed if no permit is issued. At this time, electronic payment cannot be accepted. If paying by check, please make your check out to OWRD and include your application number on the check.

Water Rights Application Specialist:

Brandon Self (971-990-9890)

To provide response and payment by mail:

Brandon Self
Oregon Water Resources Department
725 Summer St NE Ste A
Salem, OR 97301

To provide response by email:

Brandon.A.Self@water.oregon.gov
(note, you must mail your payment or provide it in person)

Request to Continue Processing Response Form (continued)

Application Number: **S-90019**

Applicant(s): **HISTORIC HOTLAKE INC.**

Deadline to receive response and payment: **November 5, 2026**

Written Request to Continue Processing:

I request the Department to continue processing Application **S-90019**. I understand that this request AND payment of the remaining fees described in the "Fees Required to Continue Processing" section must be received by the Department on or before the deadline on this form or the application file will be closed.

Applicant's Signature: _____ Date: _____

OR

Agent's Signature: _____ Date: _____



Water Right Application Initial Review

August 7, 2026

HISTORIC HOTLAKE INC.
C/O MICHAEL RYSAVY
66172 HIGHWAY 203
LA GRANDE OR 97850

Reference: Application S-90019

IMPORTANT NOTICE: This document is not a final decision. If you want the Department to continue processing this application to reach a final decision, you must provide the Department with a written request to continue processing and pay any remaining fees due by **November 5, 2026**.

If the Department does not receive your request to continue processing and payment of remaining fees by the above date, the application file will be closed, and no further action will be taken on this application. Please review the enclosed *Request to Continue Processing Response Form*.

This document is to inform you of the preliminary analysis of the water-use permit application and to describe your options. In determining whether an application may be approved, the Water Resources Department (Department) must consider the factors addressed in the preliminary determinations below, all of which must be favorable to the proposed use if it is to be allowed. Based on the information supplied, the Department has made the below preliminary determinations.

Preliminary Determinations under Oregon Administrative Rule (OAR) 690-310-0080:

1. The application proposes the diversion of 3.0 cubic feet per second (CFS) of water from a spring, tributary to Catherine Creek, for commercial use (geothermal heating) from January 1 through December 31 of each year.
2. The proposed use is not prohibited by law or rule except where otherwise noted below.
3. Commercial use is allowable under the Grande Ronde Basin Program (OAR 690-508-0020(1)(a)).
4. An assessment of water availability at 80% exceedance for the proposed use was completed using the Department's Water Availability Reporting System. A copy of this assessment is in the application file. This review is done consistent with OAR 690-410-0070(2)(a). The assessment

established, during the period of use requested, surface water is available from December 1 through February 28/29 of each year. **Please see the section below for information on opportunities that exist to address this issue.**

5. The proposed use is located above the Wallowa-Grande Ronde Scenic Waterway, as designated under Oregon Revised Statute 390.826.
6. OAR 690-033-0120(2)(a) prohibits the diversion of water from April 15 through September 30 each year.
7. Documentation has been submitted from the relevant land-use planning jurisdiction that indicates an approved land-use decision has been obtained, and that either no administrative appeals were received, or all such appeals have concluded.

Summary of Preliminary Determinations
The diversion of 3.0 CFS of water from a spring, tributary to Catherine Creek, for commercial use (geothermal heating) from January 1 through December 31 of each year <u>is unlikely to be allowable</u> .

The following sections include: (1) opportunities the Department has identified for the applicant’s consideration to address issues identified in the preliminary determinations, and (2) information related to public comment opportunities and additional review this application will undergo by the Oregon Department of Fish and Wildlife and the Oregon Department of Environmental Quality if the applicant notifies the Department to continue processing the application by providing the required written request and payment of fees described on the *Request to Continue Processing Response Form*.

Opportunities to address issues identified in Preliminary Determinations:

Preliminary Determination #4 – Surface water is not available for the full period of time requested. Two opportunities to address this issue are described below.

Option A – The applicant can provide information for the Department to consider that demonstrates the proposed use will not contribute to over-appropriation of surface water:

- Information that demonstrates the proposed use of surface water is 100% non-consumptive, and
- Information that demonstrates the water will be returned to the originating source at or above the original point of diversion, and
- Information that demonstrates the initial start-up water (for charging and filling the system) is less than 50 gallons or can be accomplished with water legally appropriated from another source.

Option B – Pursuant to OAR 690-300-0010(57)(b), a water right permit applicant has the opportunity to provide the following information for the Department to consider:

- Information that demonstrates the proposed use only requires water (and can make beneficial use of water) during the period of time when water is available for further appropriation, being December 1 through February 28/29 of each year; or
- Information that demonstrates the applicant can obtain water from an alternate source during the period when water is not available, being March 1 through November 30.

If the applicant wants processing of this application to continue, information related to one of the above options should be submitted along with the written request to continue processing and payment of remaining fees described in the *Request to Continue Processing Response Form*. If the applicant needs additional time to provide the above required information, the applicant may submit a request for additional time after providing a written request to continue processing and payment of remaining fees. The request for additional time must be in writing, stating how much additional time is needed and why additional time is needed. The Department's rules related to requests for additional time can be found in OAR 690-310-0270(2).

Please note, a request for additional time may only be requested after the applicant has provided a written request to continue processing and payment of remaining fees. The deadline described on the *Request to Continue Processing Response Form* cannot be extended.

Public Comment and Further Review:

If the applicant notifies the Department to continue processing the application by providing the required written request and payment of fees described on the *Request to Continue Processing Response Form*, the Department will place the Initial Review on the weekly public notice. If significant public interest issues are identified, this could have an impact on the eventual outcome of the application. The application will also undergo additional review from numerous federal, state, local, and tribal governmental entities. This review may cause the application to be limited, conditioned, or denied.

Division 33 Review – The Department's Division 33 administrative rules (OAR 690-033) establish additional procedures and standards to aid the Department in determining whether a proposed use will impair or be detrimental to the public interest with regard to sensitive, threatened, or endangered (STE) fish species. This Initial Review does not address the potential impact that the proposed use may have on these species. If upon further review this application is found to impair or be detrimental to STE fish species, there may be an opportunity to provide mitigation to overcome the impact.

Mitigation for impacts to STE Species – Following review under Division 33, the applicant will be notified if mitigation is required due to impacts to STE fish species. Mitigation is a means to avoid, minimize, or otherwise compensate for impacts by replacing or providing conditions of comparable substitute function and value. Mitigation often requires compensating for the impact of the proposed use by providing replacement water through the transfer an existing water right to instream use. The applicant is responsible for developing a mitigation plan and submitting a proposal outlining how mitigation requirements will be met. Mitigation is often complicated, time consuming, and expensive,

and may not be feasible in all situations. There will be an additional fee of \$1,185 required with any mitigation proposal submitted.

Although it is unlikely that a permit will be issued, any permit that may be issued under this application would likely include the following conditions:

1. Construction of the water system shall begin within seven years of the date of permit issuance. The deadline to begin construction may not be extended. A permit is subject to cancellation proceedings if the begin construction deadline is missed.
2. **Water Use Measurement, Recording, and Reporting:**
 - A. Before water use may begin under this permit, the permittee shall install a totalizing flow meter, or other suitable measuring device as determined by the watermaster, at each point of diversion. The permittee shall maintain the device in good working order.
 - B. The permittee shall allow the watermaster access to the device; provided however, where any device is located within a private structure, the watermaster shall request access upon reasonable notice.
 - C. The permittee shall keep a complete record of the volume of water diverted each month, and shall submit a report which includes water-use measurements to the Department annually, or more frequently as may be required by the Director. Further, the Director may require the permittee to report general water-use information, including the place and nature of use of water under the permit.
 - D. The Director may provide an opportunity for the permittee to submit alternative measuring and reporting procedures for review and approval.

The water source identified in the application may be affected by an Agricultural Water Quality Management Area Plan. These plans are developed by the Oregon Department of Agriculture (ODA) with the cooperation of local landowners and other interested stakeholders and help to ensure that current and new appropriations of water will not adversely harm the environment. You are encouraged to explore ODA's Water Quality Program website at www.oregon.gov/ODA to learn more about the plans and how they may affect the proposed water use.

For Further Information:

Feel free to contact me at Brandon.A.Self@water.oregon.gov or 971-990-9890 if you have any questions regarding the contents of this letter or the application. Please include the application number in all correspondence. General questions about water rights and water use permits should be directed to our customer service staff at 503-986-0900. When corresponding by mail, please use this address: Brandon Self, Oregon Water Resources Department, 725 Summer St NE Ste A, Salem OR 97301.

Sincerely,

Brandon Self

Brandon Self
Water Right Application Specialist
Oregon Water Resources Department

Enclosures: Request to Continue Processing Response Form
Application Fact Sheet
Permit Application Review Process

S-90019
WAB: 30810408
Proposed to Deny

APPLICATION FACT SHEET

Application File Number: S-90019

Applicant: HISTORIC HOTLAKE INC.

County: UNION

Watermaster: TYLER FITZGERALD, #6, ER

Priority Date: JUNE 30, 2026

Source: A SPRING, TRIBUTARY TO CATHERINE CREEK

Purpose or Use: COMMERCIAL USE (GEOTHERMAL HEATING)

Rate: 3.0 CUBIC FEET PER SECOND

Period of Use: JANUARY 1 THROUGH DECEMBER 31

Basin Name & Number: GRANDE RONDE, #8

WAB: CATHERINE CR > GRANDE RONDE R - AT MOUTH

Points of Diversion:

Twp	Rng	Mer	Sec	Q-Q	Measured Distances
4 S	39 E	WM	5	NW SE	1830 FEET NORTH AND 1730 FEET WEST FROM SE CORNER, SECTION 5

Place of Use:

Twp	Rng	Mer	Sec	Q-Q
4 S	39 E	WM	5	NW SE



Permit Application Review Process

Initial Review: The Department reviews the application to determine whether water is available during the period of use requested, whether the proposed use is restricted or limited by rule or statute, and whether other issues may preclude approval of or restrict the proposed use. An Initial Review (IR) containing the Department's preliminary determinations is sent to the applicant electronically by email unless requested otherwise or an applicant email address is not available. Following issuance of the IR, the applicant has 90 days to notify the Department if they would like to continue processing the application and to pay any remaining fees due. If written notification to continue processing and payment of any remaining fees is not received by the due date described in the Initial Review, the Department will close the application file and take no further action on the application.

Public Notice and Comment Period: If the applicant notifies the Department to continue processing the application and any remaining fees due are received, the application will be put on the Department's weekly public notice. This opens a 30-day public comment period. If the IR determined the application will have an impact on surface water flows where sensitive, threatened, or endangered (STE) fish species may be present, the application will be reviewed by the Oregon Department of Fish and Wildlife and the Oregon Department of Environmental Quality.

Proposed Final Order: The Department will review any comments received, including comments from other state agencies, and issue a Proposed Final Order (PFO) explaining the proposed decision to deny or approve the application. A PFO proposing approval of an application will include a draft permit. The PFO will be put on the Department's weekly public notice, and a 45-day period within which any protests of the PFO must be received by the Department will begin. Information describing protest requirements and fees is provided within the PFO.

Decision Becomes Final: Unless a timely protest is received or the PFO is withdrawn for further consideration by the Department, the PFO shall become a final order on the date that is 33 days after the close of the time period for submitting a protest with no further action required by the Department. If the application is approved, a permit will be issued. The permit will specify the details of the authorized use and any terms, limitations, or conditions that the Department deems appropriate.