



## UTAH DEMAND MANAGEMENT PILOT PROGRAM

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### **2026 Price River Water Users Association Storage Forbearance Pilot Project Shareholder Application Form**

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The **Colorado River Authority of Utah** (the Authority), in accordance with the Authority's Colorado River Management Plan, is continuing its intrastate **Utah Demand Management Pilot Program** (DMPP) for the 2026 irrigation season. The Authority's goal is to maintain viable agricultural communities by facilitating **temporary, voluntary, compensated, and protected** water conservation through reduced water depletion by water users, ensuring continued compliance with the 1922 Colorado River Compact.

**Price River Water Users Association** (PRWUA) was selected by the Authority in 2025 to implement a Storage Forbearance Pilot Project (pilot project) in 2025 and 2026. Each year, this pilot project may enroll up to 2,000 acre-feet of conserved water depletion in DMPP, which translates to up to 3,125 PRWUA shares (1 acre-foot per share), and up to \$300,000 in total compensation at \$150 per acre-foot of conserved water depletion. Some PRWUA shareholders enrolled shares in 2025 for both 2025 and 2026, leaving up to 1,093 acre feet of conserved water depletion, up to **1,708 PRWUA shares**, and \$164,026 available for new shareholders in 2026. If applicants collectively propose over 1,708 shares for enrollment in 2026, the Authority will select applicants based on the DMPP 2025 scoring criteria (Attachment A) that were used to select this pilot project. For this pilot project to proceed in 2026, PRWUA must have an approved water right change application (f52882) by the Utah Division of Water Rights by March 1, 2026.

Under this pilot project in 2026, **PRWUA shareholders** may apply to voluntarily forbear their use of PRWUA shares, leaving their shares in Scofield Reservoir through the irrigation season to be released to Lake Powell after the irrigation season as coordinated by PRWUA, the Authority, and DWRI. Shareholders selected by the Authority for 2026 will be compensated \$150 per acre-foot of conserved water depletion, which translates to about \$96 per PRWUA share. PRWUA will receive 3% of the total compensation amount for each shareholder to cover administrative costs. Shareholders will contract directly with the Authority based on the Template Implementation Agreement and Verification Plan (Attachment B).

PRWUA Shareholders interested in participating in DMPP through the 2025-2026 PRWUA storage forbearance pilot project must return this form and attachments to Marc Stilson ([mkstilson@utah.gov](mailto:mkstilson@utah.gov)) by Friday, October 10, 2025, 11:59 p.m. MST. Email or call Marc at 801-232-4790 with questions.

Information provided on this form is subject to the Utah Government Records Access and Management Act.



## APPLICANT INFORMATION

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1. Applicant name:
2. Contact/company name (if applicable):
3. Address where compensation check can be mailed:
4. Email address:
5. Telephone number:

## WATER SHARES INFORMATION

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1. Total number of PRWUA shares to be enrolled:

Note: 1 share = 1 acre-foot in a typical year; total number of shares = total diversion volume to be enrolled.

2. Certificate number(s) for shares to be enrolled:

Note: total shares to be enrolled may be less than total shares listed on certificates.

3. Certificate owner(s) for shares to be enrolled:

Note: If shares to be enrolled are not owned by contact/company listed above, then **attach a permission letter** from owner(s) of the shares to enroll shares in the DMPP.

4. Describe how shares have been used in the past:

Note: If shares have been leased in the past, attach **past lease agreements**.

Note: If shares cannot be proven to have been used over the past 7 years, then they do not qualify for enrollment in the DMPP.

5. **Attach photographs or scans** of certificate(s).

## STORAGE FORBEARANCE PILOT PROJECT INFORMATION

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1. Total compensation is based on estimated depletion reduction as follows:  
(number of shares to be enrolled) X (0.64 efficiency assumption) X (\$150) = \$
2. Acknowledge PRWUA will receive 3% of total compensation:
3. Acknowledge Template Shareholder Implementation Agreement for DMPP PRWUA Storage Forbearance Pilot Project has been reviewed and is acceptable to the potential participant:
4. **Attach a permission letter** from PRWUA to enroll in the DMPP.



## Attachment A: 2025 Scoring Criteria (Storage Forbearance)

**The Selection Committee will complete** this attachment and score projects submitted for participation in the Utah Demand Management Pilot Program using the selection criteria herein. *Disclaimer: The Selection Committee may reject a project for any reason.*

1. Can the proposed project be implemented within the Colorado River Authority of Utah's timeline following approval of a required change application?    Yes    No
2. For a storage forbearance project, will proposed project occur in 2025 only or 2025 and 2026?  
2025 only [0 points]  
2025 and 2026 [5 points]
3. To what extent does the proposed project support the primary goal of the Utah Demand Management Pilot Program, which is to demonstrate feasibility of conserving, distributing, and accounting for reduced water depletion to obtain "credit" for the State of Utah to maintain 1922 Colorado River Compact compliance, though better understanding the following:
  - Degree to which various agricultural water depletion reduction methods are effective and viable for larger scale programs [0 or 5 points]
  - How reduced water depletions will generally be quantified for application in larger scale programs [0 or 5 points]
  - Conditions (hydrologic, economic, social, etc.) under which water users may participate in a demand management program [0 or 5 points]
  - How to best navigate state and federal (regulatory, operational) processes to store conserved water [0 or 5 points]
  - Feasibility, risks, and costs of storing saved water for demand management [0 or 5 points]

*Note: To evaluate this question, the Selection Committee may consider project size, location, scalability, repeatability, administrative accountability, accuracy, representativeness, and any other available factors. More points will be awarded to projects that would help further Utah Demand Management Pilot Program desired outcomes based on best professional judgment of the Selection Committee. [5 points per objective/ bullet for up to 25 points]*
4. What types of data are available to support calculating actual depletion reduction? *Note: More points will be awarded for increasing levels of instrumentation or data quality (for example, precision, accuracy, repeatability).* [0, 5, or 10 points]  
No water use measurement devices or instrumentation data are available. [0 points]  
Historical crop yield, diversion, or point of application instrumentation are available. [5 points]  
Diversion or point of application and field measurement instruments (for example, soil moisture sensors, EC towers) are available. [10 points]
5. What is annual expected quantity of depletion reduction<sup>1</sup> associated with the proposed project (acre-feet)?  
0 to 500 acre-feet [0 points]  
501 to 1,000 acre-feet [10 points]  
More than 1,001 acre-feet [20 points]

<sup>1</sup> Share should not exceed amount of depletion savings based on available budget.

6. Does the applicant having a preexisting contractual relationship with the reservoir operator where the subject water rights or water shares exist? [0 or 5 points]

**The Selection Committee will consider the following information provided by applicant from preconsultations with the Utah Division of Water Rights:**

7. **Water right eligibility:** Is the water right eligible to be stored in a candidate reservoir and/or be the subject of an exchange in a candidate reservoir as determined by the Utah Division of Water Rights?  
Yes      No
8. **Water right availability (priority date):** Will water be available for the proposed conservation activity based on the priority date of the subject water right(s)? *Note: additional points awarded to projects if there is a higher likelihood the priority date of the subject water right or reservoir operational criteria will ensure water is regularly available for the conservation activity.* [0, 5, or 10 points]
9. **Water right availability (storage risks):** By evaluating feasibility and risks of storing conserved water, what is the likelihood that the conserved water will be available? [0, 5, or 10 points]
10. **Distribution system:** Can distribution requirements of the Utah Division of Water Rights be met using existing distribution models and/or measurement stations? *Note: Additional points will be awarded to projects in a location with a local distribution system model or in a distribution system with similar types of data to track storage accounting or distribution and delivery of water to the Utah Demand Management Pilot Program's desired location.* [0 or 5 points]
11. **Change application.** Are any complexities associated with the approval of the water right change application anticipated? [Yes 0 points or No 10 points]

12. Is a relevant reach gain or loss study available? [0 or 5 points]

### Other Considerations

13. Are there other considerations that strengthen or weaken this project?
- a. Additional project strengths: [Selection Committee to document] [0 or 10 points]
  - b. Additional project weaknesses: [Selection Committee to document] [subtract 0 or 10 points]

### Total Points

out of 115 possible points

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# Attachment B

## EXHIBIT B

### (TEMPLATE PARTICIPATING SHAREHOLDER AGREEMENT)

**COLORADO RIVER AUTHORITY OF UTAH  
DEMAND MANAGEMENT PILOT PROGRAM PARTICIPATING SHAREHOLDER  
IMPLEMENTATION AGREEMENT  
(Storage Forbearance)**

This Demand Management Pilot Program Participating Shareholder Implementation Agreement (“Agreement”) is entered into, with an effective date of the date of last signature (“Effective Date”), by and between the Colorado River Authority of Utah (“Authority”) and [Shareholder] (“Participant”). Authority and Participant may also be referred to individually as a “Party” or collectively as the “Parties.”

In consideration of the mutual promises and covenants contained herein, which the Parties acknowledge are sufficient, the Parties agree as follows:

1. Purpose. Authority, consistent with its mission to protect, conserve, use, and develop Utah’s waters of the Colorado River system and its Management Plan, has established an intrastate Utah Demand Management Pilot Program (“DMPP”) to explore voluntary, temporary, and compensated agricultural water conservation strategies in the Upper Colorado River Basin portion of the state by temporarily securing water supplies to evaluate water conservation strategies that support Utah’s continued Colorado River Compact compliance.
2. Definitions. The following definitions shall apply for purposes of this Agreement only:
  - 2.1 “Agent” means third parties, if any, engaged by Participant to aid in performance of its obligations.
  - 2.2 “Change Application” means an application filed with the Utah Division of Water Rights by PRWUA on water rights owned by PRWUA for the change in use of water filed pursuant to Utah Code Section 73-3-30(4) to deliver water to a reservoir for fixed period of time.

- 2.3 “Colorado River Compact” means the document signed on November 24, 1922, at Santa Fe, New Mexico, pursuant to an act of Congress approved August 19, 1921 (42 Stat. 171) (Utah Code 73-12a-2).
- 2.4 “Colorado River System” shall have the same meaning as set forth in the Colorado River Compact.
- 2.5 “Order” means a final, non-appealable Order of the Utah State Engineer approving the Change Application absent any conditions that would frustrate the purpose of the Pilot Project or Participant’s ability to participate in the Pilot Project.
- 2.6 “Pilot Project” means the actions taken by Participant pursuant to this Agreement, including the Verification Plan, and actions taken by Price River Water Users Association (“PRWUA”) subject to separate implementation agreements, and subject to the relevant Order that results in Project Water.
- 2.7 “Project Water” means the quantity of water projected to be conserved by the Pilot Project as determined by the Authority defined by both diversion and depletion volumes.
- 2.8 “Upper Colorado River Basin” means those parts of the states of Arizona, Colorado, New Mexico, Utah, and Wyoming within and from which waters naturally drain into the Colorado River System above Lee Ferry, and also all parts of said states located without the drainage area of the Colorado River System which are now or shall hereafter be beneficially served by waters diverted from the System above Lee Ferry, as defined in the Colorado River Compact.
- 2.9 “Verification” or “Verify” means confirmation that the action(s) agreed to by Participant in this Agreement and subject to the relevant Order have been taken, as further described in the Verification Plan.

2.10 “Verification Plan” means the Pilot Project Description and Verification Plan that is Exhibit A to this Agreement and hereby incorporated into this Agreement, as it may be amended from time to time.

3. Term. The term of this Agreement shall commence on the Effective Date and terminate on June 30, 2027, unless sooner terminated or extended as provided for herein.

4. Warranties and Representations. Participant represents, warrants, and acknowledges Authority’s reliance on the following representations and warranties:

4.1 Rights to Use Water and Property:

- i. Participant has the legal right and authority to use the water and/or property described in the Verification Plan. To the best of Participant’s knowledge, no legal impediment exists regarding Participant’s ability to perform its obligations under this Agreement; and
- ii. Other than the potential of the advancement of the Area 91 general adjudication proceeding by the Utah State Engineer, there is no known or anticipated claim, nor any known or anticipated action or proceeding before any court, tribunal, or other body, that could affect Participant’s right, title, and/or interest to the water or the land that are the subject of this Agreement.

4.2 Participant Obligated to Submit Correct Information: All information submitted by Participant in the application to the DMPP, the Change Applications (if any), or provided in support of this Agreement is true and correct to the best of Participant knowledge as of the time of submittal and as of the Effective Date. If Participant discovers that any information submitted in the DMPP application, the Change Applications, or in this Agreement is or has become incorrect, Participant will immediately inform Authority in writing regarding what information is incorrect and the date

on which Participant discovered that the information was incorrect. Following such communication, the Parties will meet to determine next steps with respect to this Agreement.

- 4.3 Licenses, Permits, Legal Obligation: As of the Effective Date of this Agreement, Participant must have, and at all times during the term hereof, shall maintain, at their sole expense, all rights, shares, decrees, licenses, certifications, approvals, insurance, permits, and other authorizations, required by law to perform its obligations hereunder including the payment of any assessments due. Participant must do so without reimbursement by the Authority or other adjustment in any payment made to Participant under this Agreement. Any revocation, withdrawal, or non-renewal of shares, licenses, certifications, approvals, insurance, permits, or such similar requirements necessary for performance under this Agreement is a material breach by Participant and constitutes grounds for termination of this Agreement. Participant's performance hereunder shall comply with all applicable federal and state laws, rules, and regulations.

5. Contingent Upon Change Application. Participant is a shareholder of the PRWUA and has the accordant right to use a portion of the water rights held by the PRWUA subject to the Change Application. Participant understands and acknowledges that Authority's obligations under this Agreement are contingent upon the PRWUA obtaining an Order approving the Change Application by March 1, 2026. Authority has no obligation to prepare or defend the Change Application. If the Order is not obtained by March 1, 2026, this Agreement shall terminate without further action by the Parties and Authority will have no further obligation to Participant. After the Order is issued, Participant will, as necessary, and in cooperation with the PRWUA, request that the Utah Division of Water Rights distribute water pursuant to the Order.

6. Payment for Project Water.

The Authority will lease XXX acre-feet of water which has been determined by Authority to be the depletion volume of the Project Water at a rate of \$150 per acre-foot per year each year that this Agreement is in effect for a total yearly payment of \$XXX ("Annual Payment"). If the Change Application is not subject to an Order

by March 1, 2026, this Agreement shall terminate and Authority shall have no obligation to make additional payments.

- 6.1 Payment to Participant: Authority will pay Participant 97% of the Annual Payment (or an amount of \$XXX) in one yearly payment during the Term of this Agreement with the first yearly payment due on December 31, 2025. Payments will be mailed to Participant at the address identified in the Notice section of this Agreement.
  - 6.2 Payment to PRWUA: Participant agrees that Authority will withhold 3% of the Annual Payment (or an amount of \$XXX) and pay that amount to the PRWUA to cover administrative and legal costs incurred by the PRWUA as a direct consequence of this Agreement.
7. Available Funds Contingency. The expenditure or advance of any money or the performance of any obligation by Authority under this Agreement is contingent upon the availability of funds. If Authority, in its sole discretion, determines that it has not received sufficient funds from the Utah State Legislature, or other sources, to fund the DMPP Authority may terminate this Agreement, and no monetary or other liability shall accrue to Authority beyond then existing payment obligations.
8. Conditions of Payment. If during the Term of this Agreement, Authority determines that Participant is in breach or has failed to perform on any of its obligations under this Agreement, Authority may terminate this Agreement as provided herein with no further obligation to make additional payments to Participant or PRWUA.
9. Adjustment for Errors. Authority may make any adjustments to payments if it discovers an error has been made in prior payments. In such case, Authority shall timely present to Participating Parties adequately detailed information regarding such error(s).
10. Verification.

10.1 To accomplish the purpose of the DMPP, Authority will Verify that the work identified in the Change Application, an Order, and the Verification Plan is performed consistent with the terms of this Agreement.

11. Participant Records and Reporting.

11.1 Records: The Participant shall make, keep, maintain, and, upon request, provide to Authority or its agents or designees a complete file of all materials or records required in the Verification Plan. Participant's failure to provide information and notifications to the Authority in a timely manner may result in the delay of all or any portion of the Annual Payment and/or termination of this Agreement, after notice and opportunity to cure. Participant's obligation to maintain and provide records shall survive termination of this Agreement through June 30, 2027.

11.2 Litigation Reporting: Within 10 days after being served with any pleading in a legal action filed with a court or administrative agency related to this Agreement or which may affect Participant's ability to perform its obligations hereunder, Participant shall provide written notice to Authority.

11.3 Agent: If Participant enters into an agreement or relationship with Agent related to this Agreement, Participant shall notify Authority of the agreement and/or relationship. Copies of written agreements entered into by Participant with Agent shall be provided to the Authority upon their execution. Agreements entered into by the Participant related to its performance hereunder shall comply with all applicable federal and state laws and shall provide that such agreements be governed by the laws of the state of Utah. Authority shall have no obligations related to agreements entered into by Participant and Agent.

11.4 W-9 and Tax Documentation: Within fourteen days of the Effective Date of this Agreement Participant shall provide Authority a fully executed Internal Revenue Service Form W-9, including a Taxpayer Identification Number or Employer Identification Number, as applicable.

12. Breach.

- 12.1 Breach Defined: In addition to any breach specified in other sections of this Agreement, the failure of any Party to perform any of its material obligations hereunder in whole or in part or in a timely or satisfactory manner constitutes a breach. The institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Participant, or the appointment of a receiver or similar officer for Participant, or any of their property, which frustrates Participant's ability to perform its obligations under this Agreement and is not vacated or fully stayed within twenty days after the institution of occurrence thereof, shall also constitute a breach.
- 12.2 Notice and Cure Period: In the event of a breach, a non-breaching Party shall give written notice of the breach to the other Party. If a breach is not cured within thirty days of receipt of written notice, or if a cure cannot be completed within thirty days, or if cure of the breach has not begun within thirty days and pursued with due diligence, Authority may exercise any of the remedies listed in this Section 12. Notwithstanding anything to the contrary herein, Authority, in its sole discretion, need not provide advance notice or a cure period and may immediately terminate this Agreement in whole or in part if reasonably necessary to preserve public safety.
- 12.3 Remedies Generally: If Participant is in breach under any provision of this Agreement, Authority shall have the remedies listed in this Section in addition to all other remedies set forth in other sections of this Agreement. Authority may exercise any or all of the remedies available to it, in its sole discretion, concurrently or consecutively. Participant shall have no liability for any consequential or economic loss-styled damages resulting from the actions of Authority or third-parties.
- 12.4 Payments: If Participant is in breach, Authority shall have no obligation to make any Annual Payment.

- 12.5 Termination for Breach: If Participant fails to cure a breach, Authority may elect to terminate this Agreement. If Authority elects to terminate this Agreement, Authority shall deliver a termination notice to Participant at the addresses provided in the Notice Section of this Agreement.
- 12.6 Obligations and Rights After Termination: After the date of a termination notice, and to the extent specified in such termination notice, Authority shall have no further obligations under this Agreement. However, Participant agrees that following termination it will provide Authority any documentation, information, or data requested by Authority related to this Agreement.
13. Extension/Termination.
- 13.1 Extension: The Parties may mutually agree in writing to extend the term of this Agreement.
- 13.2 Termination by Mutual Consent: This Agreement may be terminated at any time with the consent of the Parties executed in writing.
- 13.3 Termination by Authority: Authority may terminate this Agreement unilaterally if, in its sole discretion, Authority determines that termination is required by changes in federal or state law or regulation, or by loss of funding for the DMPP.
- 13.4 Automatic Termination:
- i. This Agreement shall automatically terminate without additional action by the Parties if an Order approving the Change Application is not obtained by March 1, 2026.
  - ii. This Agreement shall automatically terminate without additional action by the Parties if the Utah State Engineer curtails the use of the

water rights subject to the Change Application and, as a result, PRWUA is unable to deliver water to Participant.

14. Conflict of Interest.

14.1 Participant: Authority acknowledges that Participant will continue to engage in its normal courses of business. With that understanding, Participant shall not engage in any business or personal activities or practices or maintain any relationships that directly conflict in any way with their obligations hereunder.

14.2 Authority No Personal Benefit: Employees, representatives, and agents of Authority shall not personally benefit from this Agreement. Authority warrants that to the best of its knowledge no such personal benefits or any conflicts of interest exist as a result of entering into this Agreement.

15. Public Records. This Agreement, including its attachments, exhibits, and any amendments or other related records, may be subject to request under Utah's Government Records Access and Management Act. Upon receipt of such a request Authority or other government agency in possession of those records may be required to disclose them in their entirety to the requesting party. Participant understands this obligation and has no expectation of privacy relating to any of the terms of this Agreement.

16. Indemnification. Participant, through their insurers or otherwise, shall be fully liable for the actions of their agents, employees, officers, partners, and contractors, and shall fully indemnify, defend, and hold Authority harmless from all claims, losses, suits, action, damages, and costs arising out of their performance of this Agreement to the extent caused by any intentional wrongful act, omission, or negligence of Participant, its agents, employees, officers, partners or contractors without limitation. However, Participant shall not be liable for or indemnify Authority for any claim, loss, or damage arising hereunder due to the fault or actions of the Authority. Nothing in this Section limits, abrogates, or supplants the protections the Authority receives under the Governmental Immunity Act of Utah, as it may be amended from time to time.

17. Authority Employee Non-Liability. Participant acknowledges that Authority's employees, agents or members are not parties to this Agreement in their individual capacities and Participant agrees not to bring any legal proceeding or claim against an Authority employee, agent, or member in his or her individual capacity for any injury or damages when acting within the scope of his or her duties during performance of this Agreement. To the extent suit is brought against an Authority employee, agent, or member in which it is alleged Participant's negligence caused any alleged injury, Participant will through its insurer(s) or otherwise, defend and indemnify the Authority employee, agent, or member relating to the lawsuit. Nothing in this Section limits, abrogates, or supplants the protections the Authority, and its employees and agents, receive under the Governmental Immunity Act of Utah, as it may be amended from time to time, and other points of law.

18. Notice. All notices required to be given hereunder shall be in writing via email with confirmation of receipt or First-Class U.S. mail to a Party at the address set forth below. Any Party from time to time may by written notice substitute addresses or persons to whom such notices shall be sent.

PARTICIPANT

[REDACTED]  
[REDACTED]  
[REDACTED]

Email: [REDACTED]

COLORADO RIVER AUTHORITY OF UTAH

Attn: Lily Bosworth

60 East South Temple St., Suite 850

Salt Lake City, Utah 84111

Email: lbosworth@utah.gov

19. Assignments. Participant's rights and obligations hereunder may not be transferred, assigned or subcontracted without the prior written consent of Authority, which consent shall not be unreasonably withheld. Any attempt of Participant at assignment, transfer, or

subcontracting without such consent shall be void. All assignments approved by Authority are subject to all of the provisions hereof.

20. Binding Effect. All provisions herein contained, including the benefits and burdens, shall extend to and be binding upon the Parties' respective heirs, legal representatives, successors, and approved assigns.

21. Legal Effect.

21.1 Except as otherwise expressly stated herein, nothing herein shall be construed as affecting the legal status of Participant's property, including but not limited to the effect of taxes, liens, encumbrances, statutory or regulatory requirements, or entitlements.

21.2 Participant agrees that Authority is not responsible for, and no action or conduct of Authority, its agents, or employees shall be construed as advice or identification of the legal effect or consequences, if any, of Participant's decision regarding participation in the DMPP.

22. Amendment. This Agreement may not be modified or amended except as follows:

22.1 By the Parties: Except as specifically provided in this Agreement, modifications of this Agreement shall not be effective unless agreed to in writing by all Parties in an amendment to this Agreement.

22.2 By Operation of Law: This Agreement is subject to such modifications as may be required by changes in federal or state law, or their implementing regulations. Any such required modification shall automatically be incorporated into and be part of this Agreement on the effective date of such change, as if fully set forth herein. Any Party may terminate this Agreement by written notice to the other Party if said changes in federal or state law impact the ability of the Party to perform its obligations pursuant to the terms of this Agreement.

23. No Precedent. Nothing in this Agreement, nor the execution of this Agreement, shall be deemed to establish any precedent for managing or calculating Project Water by Authority or the State of Utah. This Agreement does not establish any right to obtain any similar agreement after termination of this Agreement. Each Party reserves the right to exercise and protect its respective rights, obligations, and entitlements related to use of water as it deems appropriate.

24. Entire Agreement. This Agreement, its exhibits including without limitation Verification Plan (Exhibit A), and its attachments, constitute the entire understanding of the Parties.

25. Counterparts. This Agreement and any amendments thereto may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument with the original.

26. Compliance with Existing Laws. The Parties intend that implementation of this Agreement be consistent with and subject to existing law, including but not limited to the Colorado River Compact, the Upper Colorado River Basin Compact, the Colorado River Storage Project Act of 1956, and the Colorado River Basin Project Act of 1968. The Parties further intend that this Agreement is consistent with the water rights and administration laws of the State of Utah.

27. Third Party Beneficiaries. This Agreement does not confer any right or entitlement to benefits from this Agreement on any person or entity that is not signatory to this Agreement.

28. Jurisdiction/Venue. This Agreement shall be interpreted, governed by, and construed under the laws of the State of Utah. Venue for adjudication of any disputes under this Agreement shall be the Third District Court for the State of Utah.

29. Force Majeure. No Party shall be considered to be in default in the performance of any of its obligations under this Agreement when a failure of performance shall be due to any cause beyond the control of the Party affected, including but not limited to facilities failure, flood, earthquake, storm, lightning, fire, war, riot, civil disturbance, labor

disturbance, sabotage, and restraint by court or public authority which by exercise of due diligence and foresight such Party could not have reasonably expected to avoid. A Party rendered unable to fulfill any of its obligations under this Agreement by reason of an uncontrollable force shall give prompt written notice of such act to the other Party and shall exercise due diligence to remove such inability with all reasonable dispatch. The Parties agree that compliance with environmental laws does not constitute a condition that would affect the Parties' ability to perform obligations under this Agreement.

30. Waiver. None of the provisions of this Agreement shall be considered waived, except when such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions, or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or that Party's relinquishment of any such rights for the future, but such provisions and rights shall continue and remain in full force and effect. Furthermore, waiver of any breach under a term, provision, or requirement of this Agreement, or any right or remedy hereunder, whether explicitly or by lack of enforcement, shall not be construed or deemed as a waiver of any subsequent breach of such term, provision or requirement, or of any other term, provision, or requirement.

31. Authority. Upon execution by the Parties, this Agreement is a legal and binding obligation enforceable against the Parties in accordance with its terms. Each Party agrees and warrants that it has the authority to enter into and execute this Agreement and that this Agreement does not violate any provision of any other agreement to which the Party is a party or to which the Party is subject.



## Exhibit A to Participating Shareholder Verification Plan

### TEMPLATE Pilot Project Description and Verification Plan

#### Pilot Project Description

Water to fulfill Participant's shares in the Price River Water User Association (PRWUA), (Pilot Project Water, Table EA.1.), is historically stored in Scofield Reservoir and, as requested by Participant, delivered to Participant throughout the irrigation season. As detailed below, Participant agrees to forgo requesting release of and use of Pilot Project Water to allow the diversion volume of water, as determined by Authority, to remain in the system, thereby allowing Authority to compensate Participant for the depletion reduction volume of water, as determined by Authority.

**Table EA.1.** Pilot Project Water rights and shares enrolled in the Pilot Program.

#### INSERT WATER RIGHTS & SHARES TABLE

- Participant will implement the Pilot Project by:
  - Forgoing use of Pilot Project Water to reduce depletion and thereby conserve depletion for:
    - Total Diversion Reduction determined by Authority: ###
    - Total Depletion Reduction determined by Authority: ###
  - Taking any actions needed to coordinate with PRWUA.
  - Not ordering water to be delivered pursuant to the PRWUA shares enrolled in the Pilot Program allowing the water to remain in Scofield Reservoir and released by PRWUA between November 1 and March 31 of each Pilot Project year.
  - Recording and reporting all available water measurement data for the Term of the Agreement for each year that the Agreement is in effect.
  - Reporting any significant events that impact the implementation of the Pilot Project to the Authority in writing in a timely manner (floods, fires, etc).

#### Verification Plan

- The Pilot Project will be verified by:
  - Coordination with and reporting from PRWUA pursuant to the PRWUA DMPP Implementation Agreement for Storage or as otherwise requested by Authority.
  - End of season water depletion reduction and distribution estimation.
    - Authority will estimate actual water diversion and depletion reduction volumes for all Pilot Project Water at the end of the irrigation season. Authority will estimate distribution of Pilot Project Water throughout the Colorado River system after all PRWUA reporting is complete.

- As needed, Participant will timely respond to any questions from Authority about Pilot Project Water measurement, recording, reporting, and distribution.
- Diversion and depletion reduction, and distribution analysis is for reporting purposes only and payment to the Participant and PRWUA shall be as provided in this Agreement.