

EXHIBIT B

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

STRAWBERRY VALLEY PROJECT

THIRD-PARTY CONTRACT  
[FOR CHANGE OF USE OF PROJECT WATER TO MISCELLANEOUS PURPOSES]  
[FOR TRANSFER OF WATER]

THIS THIRD-PARTY CONTRACT (Third-Party Contract or Contract) is made and entered into pursuant to the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, particularly the Miscellaneous Purposes Act of February 25, 1920 (43 USC § 521), by and among, the \_\_\_\_\_ (Canal Company) a nonprofit corporation organized and existing under the laws of the State of Utah, [the \_\_\_\_\_ (Receiving Canal Company) a nonprofit corporation organized and existing under the laws of the State of Utah,] and \_\_\_\_\_, (SVP Water User) representing and certifying that he/she/it has the undisputed and lawful right to beneficially use the water described herein, and the Strawberry Water Users Association (SWUA). [This Third-Party Contract has been reviewed by the United States Bureau of Reclamation]. All capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the 1920 Act Contract referenced below.

EXPLANATORY RECITALS

WHEREAS, Reclamation has constructed the Strawberry Valley Project (SVP or Project), for the purpose of delivering water to the users thereof for irrigation and other incidental purposes; and

1 WHEREAS, the Miscellaneous Purposes Act of February 25, 1920 (43 USC § 521)  
2 (1920 Act) provides the authority for the Secretary of the Interior to enter into contracts to supply  
3 water from any irrigation project system for purposes other than irrigation; and  
4

5 WHEREAS, on September 18, 2025, various parties entered into Contract No. 25-WC-  
6 40-1015 with Reclamation (1920 Act Contract) to allow Project Water to be converted to  
7 miscellaneous purposes consistent with the terms of the 1920 Act Contract. While the 1920 Act  
8 Contract allows for the potential change in use of Project Water supply from Irrigation to  
9 Miscellaneous Purposes, Project Water can only be used for Miscellaneous Purposes after an  
10 approved Third-Party Contract has been executed; and  
11

12 WHEREAS, the SVP Water User desires [to use, for Miscellaneous Purposes, all or a  
13 portion of the Project Water to which such SVP Water User is entitled,] [to transfer all or a  
14 portion of the Project Water to which such SVP Water User is entitled for continued irrigation  
15 use within the service area of another Canal Company,] in the manner described in Appendix A  
16 attached hereto; and  
17

18 [WHEREAS, the parties hereto desire to enter into this Third-Party Contract to be able to  
19 use a portion of the Project Water for purposes other than irrigation, consistent with the  
20 requirements of the 1920 Act; and]  
21

22 NOW THEREFORE, in consideration of the mutual and dependent covenants herein  
23 contained, the parties agree as follows:  
24

25 1. AUTHORIZATION  
26

27 Pursuant to the 1920 Act Contract and this Third-Party Contract, the SVP Water User is hereby  
28 authorized to [use the identified portion of the Project Water for Miscellaneous Purposes, in  
29 addition to irrigation,][transfer the portion of Project Water from Parcel A to Parcel B] as  
30 described in Appendix A.  
31

1    2. TERM

2  
3    This Third-Party Contract will become effective once executed by all parties [and reviewed by  
4    Reclamation] and will continue in effect for the duration of the 1920 Act Contract, unless  
5    terminated earlier by failure to perform or by mutual written consent of the parties.  
6

7    3. SUBJECT TO 1920 ACT CONTRACT  
8

9    By signing this Contract, the SVP Water User acknowledges that the right to use water for  
10    Miscellaneous Purposes is based strictly on the execution of federal contracts, and that the SVP  
11    Water User has read and understands the 1920 Act Contract, which is incorporated by reference  
12    herein, and agrees to be bound by all of the terms of the 1920 Act Contract. If there are any  
13    conflicts between the 1920 Act Contract and this Third-Party Contract, the 1920 Act Contract  
14    will govern.

15   4. PERMITS, LICENSES, AND AGREEMENTS  
16

- 17       a. The SVP Water User is responsible for compliance with Utah state law, including  
18       obtaining any and all approvals that may be required by the Utah State Engineer for  
19       the use of water for Miscellaneous Purposes. The SVP Water User will assist  
20       Reclamation and SWUA in filing any necessary water right change applications,  
21       obtaining approval from the Utah State Engineer's Office, and providing copies to  
22       Reclamation, SWUA, and all delivery entities of any applications and/or approvals at  
23       no cost to Reclamation, SWUA, or the delivery entities.  
24  
25       b. The parties acknowledge that nothing herein alters or amends the interest of the  
26       United States in and to the Project Water Rights, lands and facilities, in particular,  
27       those facilities constructed that reside on Project lands and associated easements and  
28       appurtenances thereto.  
29

1    5. TRANSFERS

2  
3    If the SVP Water User proposes, as detailed in Appendix A, to merely transfer Project Water  
4    from one Canal Company to another, for continued irrigation use, the provisions of this Third-  
5    Party Contract relating to conversion to Miscellaneous Purposes shall be disregarded; provided,  
6    however, that all other provisions hereof shall apply, including in particular but without  
7    limitation the provisions of Sections 6, 7 and 8 hereof.

8  
9    6. CARRIER WATER

10  
11    Changes in place or type of use of Project Water may require the dedication of Carrier Water to  
12    the original Canal Company as necessary to protect SVP Irrigators. It is the Canal Company's  
13    responsibility to ensure that sufficient Carrier Water remains in the delivery facility to protect  
14    SVP Irrigators. The 1920 Act Contract governs the calculation and administration of Carrier  
15    Water. If at any time there is insufficient Carrier Water, SWUA may modify the water identified  
16    in this Contract to ensure sufficient flows in the original Canal Company for conveyance to SVP  
17    Irrigators.

18  
19    7. PAYMENTS TO CANAL COMPANIES AND SWUA

- 20  
21        a. If, pursuant to this Third-Party Contract, the SVP Water User proposes to transfer  
22        Project Water out of the Canal Company, the SVP Water User agrees to pay  
23        directly to such Canal Company the SVP Water User's proportionate share of  
24        costs and expenses incurred by the Canal Company to operate, maintain, repair  
25        and replace (OMR&R) Canal Company facilities used by remaining SVP Water  
26        Users as if the SVP Water User's Project Water were still being delivered by  
27        Canal Company for so long as Canal Company facilities continue to be used to  
28        provide Project Water to any SVP Irrigator. In addition, if the SVP Water User  
29        proposes to transfer water to the Receiving Canal Company, the SVP Water User  
30        agrees to pay OMR&R payments to the Receiving Canal Company. Reasonable  
31        OMR&R payments will be determined by the Canal Company and Receiving

1 Canal Company's boards of directors. The SVP Water User acknowledges that  
2 water used for non-irrigation purposes may be subject to different OMR&R rates  
3 compared to water used for irrigation.  
4

- 5 b. The SVP Water User will pay 100 percent of all reasonable incremental costs  
6 incurred by SWUA and the Canal Company to administer this Contract.  
7

8 8. OTHER CONTRACTS  
9

10 All other contracts that rely on the change in use authorized in this Third-Party Contract and the  
11 1920 Act Contract must include and incorporate the terms and conditions of the 1920 Act  
12 Contract. If the SVP Water User proposes to further transfer Project Water covered by this  
13 Third-Party Contract, the SVP Water User must notify the affected canal companies and SWUA  
14 of all such proposed transfers, terminate this Contract, and enter into a new Third-Party Contract  
15 prior to effecting such transfer.  
16

17 9. THIRD-PARTY REPRESENTATION  
18

19 The SVP Water User represents that the SWUA shares identified in Appendix A are in good  
20 standing. The SVP Water User further represents that it is current on all of its payment  
21 obligations to the Canal Company and SWUA.  
22

23 10. INDEMNIFICATION  
24

25 The SVP Water User will indemnify and hold Reclamation, SWUA, the Canal Company,  
26 receiving Canal Company and their respective officers, agents, and employees harmless from  
27 every claim for legal liability for damages of any nature whatsoever arising out of any actions or  
28 omissions resulting from the performance of this Contract.  
29  
30  
31

1    11. ENLARGEMENT OF WATER RIGHTS

2  
3    This Third-Party Contract does not create, enlarge, or diminish any water right of the Company,  
4    Reclamation, or the SVP Water User. Further, no third party may claim a water right based on  
5    any legal theory arising under State or federal law, before any State or federal judicial or  
6    administrative body, based on the use of the water under this Third-Party Contract.

7  
8    12. APPLICABLE LAWS

9  
10    SVP Water User acknowledges that this Contract is subject to all applicable federal laws, State  
11    of Utah laws, and regulations applicable to Project Water.  
12

13    13. APPROVAL

14        Review or approval of this Third-Party Contract by any of the parties listed below will not be  
15        unreasonably withheld.  
16

17    14. RECORDS

18        The SVP Water User will establish and maintain records acceptable to the Secretary  
19        pertaining to the SVP Water User's receipt and use of Project Water, and other matters as the  
20        Secretary may reasonably require. Records will be furnished to the Secretary in such form  
21        and on such date or dates as the Secretary may reasonably require.  
22

23    15. ASSIGNMENT LIMITED—SUCCESSORS AND ASSIGNS OBLIGATED

24        The provisions of this Contract shall apply to and bind the successors and assigns of the  
25        parties hereto, but no assignment or transfer of this Contract or any right or interest therein

1 by either party shall be valid until approved in writing by all parties to this Third-Party  
2 Contract and Reclamation.

3 IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day  
4 and year first above written.

5  
6 CANAL COMPANY

7  
8  
9 By: \_\_\_\_\_

By: \_\_\_\_\_

10 President

11  
12  
13 ATTEST:

SVP WATER USER

14  
15  
16 By: \_\_\_\_\_

By: \_\_\_\_\_

17 Secretary

18 RECEIVING CANAL COMPANY

19  
20  
21 By: \_\_\_\_\_

By: \_\_\_\_\_

22  
23  
24 STRAWBERRY WATER USERS ASSOCIATION

25  
26  
27 By: \_\_\_\_\_

By: \_\_\_\_\_

28 Secretary

29 President

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2  
3  
4  
5  
6 REVIEWED:

UNITED STATES OF AMERICA

7  
8  
9  
10 By: \_\_\_\_\_

11 Area Manager, Provo Area Office

12 Bureau of Reclamation

13  
14 Date: \_\_\_\_\_  
15