

429 proposed change subject to certain conditions under Subsection (3)(b)(ii) and the shareholder
430 agrees to the conditions, the state engineer shall proceed to evaluate the change application in
431 accordance with Subsection (13).

432 (6) If a shareholder files a change application and the water company has consented to
433 the proposed change subject to certain conditions under Subsection (3)(b)(ii), but the
434 shareholder disagrees with one or more conditions described in the response, or if the water
435 company declines to consent under Subsection (3)(b)(iii), or if the water company elects to
436 respond in a confidential communication as described in Subsection (3)(b)(iv), or if the water
437 company fails to respond and the shareholder submits an affidavit of nonresponse under
438 Subsection (4)(b)(ii), the state engineer shall:

439 (a) within 10 days after the day on which the state engineer receives the change
440 application, give notice to the shareholder and the water company that both parties are required
441 to engage in mediation before the state engineer will evaluate the change application; and

442 (b) provide written notice to the water company, if it failed to respond as required
443 under Subsection (3)(b), that the water company shall respond to the proposed change
444 application within 30 days after the day on which the water company receives the notice from
445 the state engineer, and that the response shall conform with one of the options described in
446 Subsection (3)(b).

447 (7) If the water company has not previously responded under Subsection (3)(b) and
448 fails to respond to the notice under Subsection (6)(b), the state engineer may proceed with the
449 administrative evaluation under Subsection (13).

450 (8) (a) If the water company has, in writing, declined to consent to the change
451 application under Subsection (3)(b)(iii), or Subsection (6)(b), has consented on conditions
452 unacceptable to the shareholder, or has elected to respond in a confidential communication as
453 described in Subsection (3)(b)(iv), the parties shall jointly retain the service of a mediator and
454 schedule a mediation on the change application filed by the shareholder and the response of the
455 water company.

456 (b) If the shareholder and water company are unable to agree upon a mediator, the
457 **H→ [private property rights ombudsman] Office of the Property Rights Ombudsman ←H** shall
457a serve in the capacity of mediator.

458 (c) The shareholder and water company shall equally share the costs related to the use
459 of the mediator for a mediation conducted under Subsection (8)(a).