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ANNUAL MEETING
January 19, 2012

The annual meeting of the Fire Mountain Canal and Reservoir Company shareholders was called to order by President Dixie Luke at 7:30PM. Board members present were Bill Houseweart, Dan Robinson, John Stroh and Wes Spore. Also present were Trey Denison and Susan Raymond.

Introductions:

All shareholders, and board members, in attendance introduced themselves.

President Report:

President Luke spoke on the state of the Fire Mountain Canal and Reservoir Company (FMC) covering several topics including: there were no unforeseen expenditures last year and assessments were kept at \$.80 per share, the Bureau of Reclamation inspected more siphons and found the siphons in good condition, the automated gates are operational at the dam, FMC personnel are attending educational seminars, and a discussion on the sedimentation at the reservoir and measures being taken to find a solution to the problem.

Superintendent Report:

Trey reported that the snowpack is currently 67% percent of average, transit loss on the canal has been reduced from 17% percent in 1991 to 5% percent in 2011, and automation of the gates at the dam have enabled him to operate the reservoir more efficiently.

4.5 miles of canal was reshaped and 450 linear feet of concrete was poured at Garvin Mesa and Terror Creek. Signage was replaced along the canal and canal structures were coated and/or painted during 2011.

Question and Answer Session:

Robin Nicholoff asked about the sedimentation plan of action. Trey discussed the options for moving sediment through the reservoir and discussed the on-going study to analyze the sediment and how best to move it. Dixie stated the FMC is hoping to measure the turbidity entering and exiting the reservoir.

Ed Tuft mentioned the low snow levels and that fruit farmers need water late in the irrigation season; the board and Trey discussed how difficult it is to hold water back for late season irrigation during a dry year.

Dan Bolton mentioned grants for mitigating salinity and selenium and is FMC applying for these grants. Dixie replied that FMC personal have attended many meetings and made several inquiries regarding such grant funds and unfortunately FMC does not qualify for salinity grants.

Myles Roberts said that Rogers Mesa had also looked into salinity grants and projects but that the salt load is mostly on the south side of the river.

Norm Lewark asks how sedimentation affects sprinklers. Dixie discussed that FMC and Trout Unlimited have entered into a Memorandum of Agreement to study the redesign of the headgate to reduce sedimentation intake and allow the fish to move upstream.

BLM Oil and Gas Leases: Dixie discussed the possible BLM parcel leases and the FMC response and that a copy of the response is posted on firemountaincanal.com.

Treasurer Report:

Randy Fisher announced that we have a quorum of 120,700 shares in attendance.

Randy presented the 2011 financial report and reviewed the line items, providing additional details where necessary and explaining changes from prior year expenses such as lower fuel costs vs paying mileage reimbursement.

Water was delivered in 2011 for \$4.05 per acre foot.

Board Nominations:

The meeting was then opened for FMC board nominations.

Myles Roberts motions the three board members facing election Dan R., Dixie L., and Bill H. be nominated for election, Jeff Armstrong seconds and the motion carries.

Jere Hollembeak motions that nominations cease, Mark Smith seconds and the motion carries.

The members were reelected by voice vote.

Susan Raymond said that it had been a privilege to work with the Board for the past year and shared her concerns about sedimentation, wash outs from monsoon type storms and safety studies from the Bureau of Reclamation. Susan suggested FMC increase the number of board members serving in order to populate subcommittees to help share the burden.

Jerry Dance motions to adjourn the annual meeting, Danny Cotton seconds and the meeting adjourned at 8:45 PM.

Respectfully submitted,



Randall W. Fisher
Secretary-Treasurer