

**FIRE MOUNTAIN CANAL & RESERVOIR CO.
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January 19, 2017

The annual meeting of the Fire Mountain Canal and Reservoir Company shareholders was called to order at 7:00 pm by President Dixie Luke. Directors present were Bill Houseweart, Wes Spore, Ron Smith, and Dan Robinson. Also present were Superintendent Steve Fletcher, Ditch Rider Bill Moore, Ditch Rider Travis Cecil, Secretary Treasurer Randy Fisher, and Jeff Armstrong.

Dixie L. welcomed the shareholders and introduced Steve Fletcher, Bill Moore, and Travis Cecil.

The Board introduced themselves.

Shareholders introduced themselves.

Steve Fletcher presented his 2016 report:

- Thank you to Bill, Travis, and the water commissioners
- 2016 was a good year with no major problems
- Installation of the trash boom at the head gate
- Bureau team sealed cracks in the elevator shaft at the dam
- The bulkhead removal is scheduled for 2017
- FMC purchased a tool arm and brush hog for canal mowing
- Willows were sprayed this fall
- Weed policy discussion per Bureau of Reclamation procedures and specifications
- 2017 weed spraying will be posted to the website prior to spraying
- Spoils were knocked down and/or removed
- The balance of the Leroux Creek Diversion grant funds are being re-scoped to emergency dump gates.
- Progress was made on an updated emergency action plan.

Snotel: Paonia Reservoir watershed 159%, Park Reservoir watershed 153%, Scholfield Pass watershed 189%.

A shareholder that uses head gate #71 discussed how severe the moss situation was at this head gate during 2016.

Dixie Luke discussed the Leroux Creek Piping Project, Bureau funding, RCPP funding, and the donation of an easement for the new Leroux Creek siphon. Robin Nicholoff asks what pipe sizes are involved in the project.

Cassandra Shenk, a representative of ERO Resources, discussed the NEPA process and informed the shareholders of the 02/02/2017 scoping meeting scheduled for 7:00 pm at Hotchkiss Memorial Hall.

Gene Grange discussed the possibility of the FMC carrying Jesse Ditch water in the new Leroux Creek Piping Project. Dixie Luke and Ron Smith discussed their relationship with the Jesse Ditch and how they have abstained from discussion and voting when the Jesse Ditch has been discussed at FMC meetings.

Adam Gall asks the Board for a sedimentation update; Dixie Luke discusses the progress the Bureau Technical Service Center has made on the sedimentation issue. Dixie Luke and Steve Fletcher discuss that the Bureau has already issued the Spring 2017 Operations Plan.

Secretary Randy Fisher announced that 110,191.8 shares were represented at the meeting and that was enough shares to qualify for a quorum. Forty nine (49) shareholders attended the meeting.

Treasurer Randy Fisher presented the 2016 financial report to the shareholders. Jeff Armstrong discussed that the spraying and weed control expense was greatly reduced from prior years because FMC purchased the thrifty tool arm and brush hog and we did the weed mowing and spraying with FMC personnel this year.

Dixie Luke announced Wes Spore and Ron Smith seats were up for election this year and asked the shareholders for nominations. Jeff Armstrong nominates Wes Spore and Ron Smith for the Board, Paul Schmucker seconds the nomination. Dixie Luke asks three times for additional nominations and none are made. Paul Schmucker motions that nominations cease and Myles Roberts seconds the motion. Paul Schmucker motions to keep the Board the same for 2017, Dan Bolton seconds, and the motion carries with a voice vote; no dissenting votes were noted.

Dixie Luke discusses the FMC Board meets once per month and more shareholder participation is welcomed at the meetings.

ADJOURNMENT:

The annual meeting adjourned at 8:40 pm.

Respectfully submitted,



Randall W. Fisher, Secretary-Treasurer