

FIRE MOUNTAIN CANAL & RESERVOIR CO.
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February 09, 2012

The regular monthly meeting of the board of directors of the Fire Mountain Canal and Reservoir Company was called to order by President Luke at 7:30 PM. Directors present were Wes Spore, Dan Robinson and Bill Houseweart. Also present were Trey Denison and Susan Raymond.

Wes S. motions and Dan R. seconds the annual meeting minutes be approved as corrected and the motion carries.

Dan R. motions and Bill H. seconds to approve the minutes from January 19 regular meeting as corrected and the motion carries.

Wes S. motions and Bill H. seconds the transfers be approved and the motion carries.

Dan R. motions and Wes S. seconds to accept the treasurers report and the motion carries.

Wes S. motions and Dan R. seconds the bills be paid and the motion carries.

SUPERINTENDENT REPORT:

--Trey received the dewatered, urbanized inspection report of Fire Mountain Canal today and will review it.

--Trey plans to ask Tom Fowlds of the Bureau of Reclamation to water jet/clean several undershot crossings and several toe drains at the dam.

--In addition to normal Spring maintenance, Trey and the Bureau of Reclamation would like to rehab the clay liner on the west side of Terror Creek. The clay mine is directly above the ditch and the Bureau has taken clay samples for testing and is impressed with the quality of the clay.

--The first phase of rehabbing the clay liner includes building a rock catch at the toe of the ditch and there is a question of access/easement to get to the clay area. Trey will ask the Bureau of Reclamation to survey the area in order to ease any fears of the neighboring property owners. Trey will also ask Kathleen Ozga to look into the historic road agreement.

--Estimated approximate cost of the two to three weeks of work is \$20,000

--Rock berm approximate cost of two to three days of work is \$3,000

There was a general discussion about maintaining optimum ditch shape to prevent erosion.

--The second phase of clay liner work will be to get the clay material mined and ready.
--The third phase will be to prepare the canal and then place and compact the clay material.

NEW BUSINESS:

1) There was a discussion regarding employee salaries. The Board has approved formation of a subcommittee consisting of three board members and two shareholders to review salaries.

2) Trey reported that the snowpack at Overland is at 80% while other areas are at 69-72%. There is approximately 70,000 AF of water in the watershed.

OLD BUSINESS:

1) Dan R. discussed options for the backhoe and reported that Benson Bros offers a 50% credit of the lease on purchase. Tony Bradshaw at Honnen Equipment will also be contacted for terms. Dan R., John S. and Trey will make a choice on a backhoe and terms, report back to the board for approval of any specific deal. The Board consensus is to spend under \$30,000.

2) Discussion on adoption of the headgate policy is tabled until the March meeting.

3) Trey Denison, Dixie Luke, Wes Spore and Randy Fisher attended the Bureau of Reclamation operation workshop held in January. The workshop provided hazmat, software and other operational information.

4) The Board will continue to receive employment resumes for the position of ditch rider until February 20, 2012.

5) Dixie has a report from iCAST that she will distribute.

6) Dan R. motions and Wes S. seconds resolution 2012-01 to contribute to a grant application.

7) Fire Mountain Canal, North Fork Water and Colorado River Water Conservancy Districts and the Gunnison Roundtable will host a meeting and events on August 6, 2012 for a 50 year celebration of the completion of the Paonia reservoir "Reflecting on the Past and Focusing on the Future." Locations and times to be announced.

Wes S. moves to adjourn the meeting at 10:30 PM, Dan R. seconds and the motion carries.

Respectfully submitted,



Randall W. Fisher,
Secretary-Treasurer