

FIRE MOUNTAIN CANAL & RESERVOIR CO.

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March 16, 2011

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, John Stroh, Dan Robinson, Bill Houseweart and Wes Spore. Also present were Susan Raymond, and Trey Denison for Fire Mountain Canal. Visitors were Cary Denison, FMC shareholder Daniel Feldman. Members from Rogers Mesa Water Distribution Association Jerry Dance, Carl Rogers, Ira Houseweart and Myles Roberts were also in attendance.

Dan R. motions the 02/10/11 minutes be approved as corrected, Bill H. seconds and the motion carries.

John S. motions that the treasurer's report be accepted, Wes S. seconds and the motion carries.

Wes S. motions that the bills be paid, Bill H. seconds and the motion carries.

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

Trey reported that the ditch will probably be turned on Friday April 15, 2011. The Bureau of Reclamation still plans inspections of a couple of the siphons and Trey said that the water could be turned on sooner if they are ready. Rogers Mesa Water Distribution Assoc stated they are ready for the water to be turned on and it was decided to post the turn on date of April 15 on the web site.

There followed a general discussion of maintenance issues between Fire Mountain Canal and RMWDA.

At 7:45 PM, shareholder Daniel Feldman of Pitkin Mesa stated that the Fire Mountain Canal travels approx 1/3 of a mile through his property and he has about 12 acres on the opposite side of the canal. Mr. Feldman would like access to that portion of the property for fire mitigation, wood cutting, etc.

In the following discussion President Luke expressed concerns about additional bridges hampering ditch maintenance and asked if shareholders could share bridges. She further stated that the canal is changing in terms of land splits and population growth and suggests that Fire Mountain Canal and Reservoir Company should develop a policy regarding bridges.

Several ideas were offered and Mr. Feldman stated that the Pitkin Mesa Pipeline Co has a "walking plank" for quick access that could be removed if his proposed bridge is accepted; another suggestion was to require the installation of a culvert, but the cost would be greater.

Dan Robinson suggested that any policy have a conditional paragraph that if any bridge is in the way of ditch maintenance then the bridge must be removed. Myles Roberts suggested that a fee be charged to bridge owners in order to compensate other shareholders for the extra costs (time and trouble) incurred by ditch maintenance to properties with bridges.

Mr. Feldman said that he would explore an agreement with the Pitkin Mesa Pipeline Co to share a bridge.

At 8:00 PM, Cary Denison, who is now employed with Trout Unlimited in the Gunnison Basin spoke about doing a feasibility study of a hydro project for the Governor's office. Cary has looked at the Hubbard Creek dump site.

The following estimates on project size, cost and payback time were offered:

--25KW system \$70,000 Grants up to 50% may be available

--50KW system \$100,000 Grants of up to 45% may be available

The payback period on these size projects is 4-6 years at an annual net payback of \$6000-\$10,000. Cary also stated that he needed more information from iCast and that he was not certain that DMEA would be able to purchase the power generated.

Susan Raymond mentioned the Delta Soil Conservation District "pie and coffee" gathering scheduled for March 17 is discussing hydro electric projects and there was additional discussion regarding concern over icing and winter flows from December through February.

At 8:45 PM the discussion returned to RMWDA and delinquent shareholder accounts.

The regular business meeting began at 9:00 PM with the Secretary-Treasurer reports followed by the Superintendent report at 9:20PM.

Trey reported that he and Scott attended a week long workshop in Lakewood focusing on helping water conservation districts with management issues. Trey said that the sedimentation at the reservoir is close to the outlet works and that the Paonia Reservoir is a textbook case of a reservoir with a sedimentation problem. Trey feels that a solution would be to dredge at high water, pipe it over the dam and into the river. The Bureau of Reclamation has reps that do the planning for such projects.

The Bureau can survey and collect data in one day with their measuring equipment, boat and sonar. The data is entered into specialized software that delivers information for mapping. Fire Mountain Canal would then consider dealing with sedimentation at the headgate to reduce sedimentation intake.

There was a general discussion regarding bridges, pipelines, fences, etc. Darca and the Bureau of Reclamation have bridge policy suggestions that include the following items: Specifications of the bridge, that it must hold a vehicle, location restrictions including those restrictions based on the grade of the ditch or hillside, cleaning fees, concrete abutments, location of alternate access points, bridge sharing, maintenance access, application deadlines and the suggestions to use culverts instead.

Friday March 18, Trey and Dixie will meet representatives from the Bureau of Reclamation at 10:30 at Stop N Save. They will tour the Pitkin Mesa area where future bridges have been requested.

Trey further reported that freeboard area needs to be built up in cloudburst affected areas, but that can be done after the water is on. There are also animals burrowing in the ditch and some are below the water line. Scott suggested renting a grout pump and filling the varmint holes with grout.

Bill H. motions to purchase two winches for use by Trey and Scott, Dan R. seconds and the motion carried.

Wes S. has been looking into wireless access at the Reservoir and reported that Sprint charges \$60 per month for a data plan and that Hughes.net has a \$99 setup fee in addition to a monthly charge. This information is offered for consideration of future wireless capability along the ditch.

OLD BUSINESS:

- 1) The weed policy is still awaiting review by the Bureau of Reclamation
- 2) The status of the work at the dam including a warranty, operations manuals and final invoices to the Bureau of Reclamation and CRWCD has been completed.
- 3) Dan R. is continuing to look into the purchase of a backhoe; Trey will give Dan the size of the mower head.

Wes S. motions that the meeting be adjourned at 10:45 PM, Dan R. seconded and the motion carried.

Respectfully submitted,



Randall W. Fisher
Secretary-Treasurer