

FIRE MOUNTAIN CANAL & RESERVOIR CO.

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May 14, 2009

The 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 Bill Houseweart, Wes Spore, John Stroh and Dave Stiller. Also present were Trey Denison and Dan Bolton.

Wes S. motions that the 4/09/09 meeting minutes be approved as corrected, Dave S. seconds and the motion carries.

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

Wes S. motions that the bills be paid upon reprint of the check detail April 10-May 12, 2009, Dave S. seconds and the motion carries.

Trey reports that the reservoir started filling on Monday morning at approximately 1,000 acre feet per day. Trey reported 145 cfs at Somerset and 125 cfs at Rogers Mesa. Trey also reported that Belzona did a suspect job; Trey and Tom Fowlds from the Bureau of Reclamation inspected the work several weeks after completion and found more than half the application gone. Tom Fowlds feels that the remaining application will not last through the season.

The same day they inspected the belzona application, Trey and Tom also looked at Terror Creek, Jay Creek Siphon, McCarthy culvert and damaged water system and looked at the Jay Creek siphon valve. They toured the extension as well.

Water arrived at Rogers Mesa on April 21, 2009 and increased per Carl Roberts. There is 125 cfs on Rogers Mesa now.

The Atwood headgate (repaired two years ago) had been screwed down past the stops and Mr. Atwood complained of not getting his water; the property is getting water now. Wink Davis's automatic gate is not working properly.

Trey presented the latest Roop bill. The cell phones purchased by the company are in operation and the phone numbers assigned as (970) 417-6885 to Trey and 417-6664 to Scott Howell.

Trey and Tom Fowlds reported on the Fire Mountain Extension and found that the main parshall needs to be replaced and 4 parshalls need to be reset because they have water diverting around them. These are not the same parshalls worked on last year.

There is no ditch left at the bottom of the extension and there are 8 orchard gates to be opened and closed taking up a lot of time. Trey and Scott will meet with Harold Clay on Thursday 05/21/09 to find a solution to the problems. Dixie stated that she has spoken to several of the extension shareholders and they have been happy with Trey. A general discussion of repair costs, fence and easement issues followed.

#1) Trey felt the application work done by Colorado Belzona Inc was substandard as the product itself has been used before and he feels that it works well when properly applied. The Colorado Belzona invoice has not been paid but no one has communicated with Colorado Belzona as of this date. Trey will work with Randy to write a letter to Colorado Belzona and Wes will email the inspection pictures.

#2) An appreciation party for Merritt Denison was scheduled for June 07, 2009 from 2-4 pm at Memorial Hall. Gift ideas were discussed and Wes suggested a weekend retreat for Merritt and Helen at Red Cliff Lodge in Moab. Dave S. motions, Bill H. seconds and the motion carries. Randy will place an announcement ad in the shopper.

#3) Fire Mountain removed dead trees from the Hillyard's property and the Hillyards were happy with the result.

#4) Dixie will call Bob Madden and see if he is interested in becoming a non-voting member.

#5) On 4/10/2009 Marcel Orton from Harwell Irrigation and Engineering toured with Trey and Dave. Marcel asks if the board would want to line/pipe the ditch stating that it would result in a 25% water savings, reduction in salinity and increased water pressure, and water savings from the increased pressure delivered via pivots and sprinklers.

Dan Bolton explains that the Palisade Ditch experience was very good with an increase in water pressure, no trash and lower maintenance. If the board favors this, then a meeting should be scheduled with the Bureau of Reclamation. A general discussion was held about an August 2009 meeting with the Bureau.

#6) There will be grant money available in 2010.

#7) General discussion about the budget and requested revisions of the spread sheet.

Wes S. asks about leaks this season and none were reported as noteworthy. The Sunshine Mesa leak decreased from 300 shares to immeasurable.

Garvin and Stucker Mesa are of concern regarding wastewater going over the edge of the mesas.

New business:

#1) Filling the reservoir: General discussion on how fast the bureau reacts to changes in the "model," and the board would like the bureau and Army Corps of Engineers to work with Fire Mountain Canal a little faster on the changes in the model.

#2) Trey is authorized to reset the parshalls on the extension and replace root filled pipe; the balance of work to be determined after the meeting with Harold Clay on May 21, 2009.

#3) The board acknowledges receipt of Michael McCarthy's letter regarding the operation of the Jay Creek dump gate and the damage done to his property this spring. The board will discuss the situation in more detail after the Bureau of Reclamation finishes some research.

Trey reported that Scott is learning well and doing a good job and that Scott living in Hotchkiss is a great help.

Meeting was adjourned at 10:00 PM.

Sincerely,

Randall W. Fisher, CPA
Secretary-Treasurer