

FIRE MOUNTAIN CANAL & RESERVOIR CO.
P.O. BOX 414
PAONIA, CO 81428
(970) 527-3662
FAX (970) 527-3023

November 12, 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, Dave Stiller, John Stroh and Wes Spore. Also present were Trey Denison, Bob Madden, and Water Commissioner, Steve Tuck.

The meeting opens with Steve Tuck presenting information on Fire Mountain Canal and Reservoir Company's water rights. The decree list was reviewed and the decrees that had been abandoned or are no longer valid were crossed out. The reservoir decree is 21,000 acre feet with a refill decree of 28,000 acre feet, although the refill right cannot start until the senior rights are satisfied.

Fire Mountain Canal and Reservoir Company owns the No. Fork of the Gunnison water rights and the reservoir storage rights are owned by the No. Fork Water Conservancy District via the Bureau of Reclamation.

Per Steve Tuck, the current capacity of the reservoir is 15,960 acre feet.

Steve also discussed concerns that filling of the reservoir during the winter months was contributing to winter elk kill as approx 130 head of elk died at the reservoir last winter (2008-2009). Steve suggested keeping the water below Deep Creek for a few winters to see if the number of elk killed is reduced.

It was further discussed that in order to stave off a Redlands call, that the reservoir might be pumped up and released. Trey is currently keeping the water below Deep Creek.

Trey also discussed silt migration to the Dead Pool area and the Dead Pool is gone. Standard operating procedure will have to change because silt is within 2' of the inlet structure.

At 8:00 PM, Steve Tuck completes his discussion and the regular meeting begins.

Dave S. motions that the October 01, 2009 meeting minutes be approved as read. Wes S. seconds and the motion carries.

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

John S. motions that the bills be paid, Dave S. seconds and the motion carries.

Wes S. motions to approve the water transfers presented; Bill H. seconds and the motion carries.

Superintendent Report:

Trey reported on the Leroux Creek and Hubbard Creek siphon inspections. The Leroux Creek valve box was not accessible due to Carl Smith Reservoir dam break; Trey pumped out the siphon for the inspection.

The Hubbard Creek inspection found the prior work done to be okay with the exception of one joint that had been repaired before; because the water level is above the siphon the water pressure from outside is forcing water through the joint. The Bureau of Reclamation made a category 2 recommendation for the repair of that joint.

The Bureau is researching a repair method that does not require pumping out outside of the siphon; the freeze/thaw cycle is very hard on the hydraulic grout.

Trey also reported inspecting the Jay Creek siphon and that someone had thrown approximately nine large rocks down the siphon doing minor damage to the concrete; one joint will have to be repaired. The Lost Lake repairs and maintenance have been completed.

The annual exam of Paonia Reservoir by the Bureau of Reclamation received a 100% during their regional inspection. A comprehensive inspection will be done during the summer of 2010 and Trey believes that the Bureau will require certain repairs at that time, such as repair and maintenance on the spillway concrete.

The headgate repairs and maintenance are done. The Cline pipe was leaking and there is still some work to be completed, such as setting the parshall. Trey would like to seal the concrete around the headgate apron (similar to Terror Creek).

Trey would like to replace several parshalls this Spring and reported that the Patterson parshall needs to be replaced. The washouts have been cleaned out, the Jay Creek siphon drain repaired and the reshaping has been completed from the Hotchkiss water plant to Coal Road and the Pitkin Mesa area.

The Leroux Creek valve box needs to be manually excavated. It is covered with 8' of material. The box is 4' in diameter opening into a 4' x 8' space and a cover will be required once the work is done. The Board reached a consensus that this work should be done if the weather holds.

Work on the Fire Mountain Extension head ditches has not yet been done.

A general discussion followed and reached a consensus regarding locking the access to the Leroux Creek siphon from 3100 Road, getting a lid on the Leroux Creek sump access and going to bid for the Spring ditch reshaping. Trey and Wes agree, but Trey also stated that Roop has done a good job and has been very fair in his pricing.

Old Business:

- 1) Randy read the letter sent to Belzona Colorado.
- 2) Discussion on the bylaws was tabled until December with interim questions to Aaron Clay regarding language about moving water through siphons requiring Board permission; also whether the bylaws need to contain the specific procedures used to notify a shareholder of the forfeiture and sale of stock shares by reason of delinquent assessments.
- 3) Financial review: Randy will call some area CPA's.
- 4) The Company is waiting to hear from the county emergency services manager for information on contracting with the county for emergency notification services.
- 5) Wes S. would like Randy to follow up on the Hildenbrand gate letters.
- 6) Wes led a general discussion regarding the USFS development plan and the meeting with dam safety engineer, Jason Ward. Albert Borkowski must follow Jason's recommendations and Albert (USFS special uses program manager), will work with Jason on any changes. The Company asked Albert if we could get log removal equipment into the spillway and he said no, but he was receptive to over the snow equipment.
- 7) Results of the meeting with Aaron Clay regarding the McCarthy matter were discussed. It was recommended to thank Jakki for assisting Randy in locating historical documents regarding Jay Creek.
- 8) Bureau of Reclamation salinity: the bid opportunity will not come for another year and Dave S. and Dixie L. will work together to revise paperwork.
- 9) On November 19, 2009, there will be a meeting with the Bureau of Reclamation on the sedimentation study presented to Dixie Luke, Dave Kanser and Tom Alvey.

New Business:

- 1) The date for the annual meeting was set for Thursday, January 21, 2010.
- 2) Randy obtained new local access cell phone numbers for Trey (589-2857) and Scott (589-2832)

Meeting adjourned at 10:15PM

Respectfully submitted,



Randall W. Fisher
Secretary-Treasurer