

**FIRE MOUNTAIN CANAL & RESERVIOR CO.
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October 5, 2018

A special meeting of the Fire Mountain Canal and Reservoir Company was called to order at 2:00 pm by President Dixie Luke. Directors present were Bill Houseweart, Dan Robinson, and Ron Smith. Also present were Steve Fletcher, Jeff Armstrong, Craig Ullman, Mark Smith, Tom Alvey, and Amanda Sullivan.

DESIGN FLOW DISCUSSION:

The bureau requested as part of their review that the board of directors sign off on the design flow. Two design flows have been put together, one at 100% flow and one at 135% flow. Dan R. motions that the board is aware of the lower design flow and are comfortable with the change. Ron S. seconds and the motion carries.

LETTER FROM HILLYARDS ATTORNEY:

We received a letter from Hoskin, Farina & Kampf regarding Hillyards concerns on the Salinity Control project plans.

1. The project's impact on the hydrology of Leroux Creek, the natural environment on the property.
 - a. Yellow-Billed Cuckoo habitat
 - b. The ability to control tailwater on their property

The Hillyards would like to see the finalized agreement between FMC and the BOR pertaining to the projects funding. They also want to see plans and specifications for the siphon and pipeline improvements to the FMC. In addition they want plans for any proposed roadways or staging areas on their property. Lastly, they want a plan addressing the tailwater control on the property an environmental restoration plan, and a construction timeline.

We have recently received an agreement pertaining to the projects funding; however, the rest of these items are not complete yet. In addition, we have been working with the Hillyards regarding a plan addressing their tailwater; however, this is not in writing yet to provide to them. Lastly, there are no plans for any roadways or staging areas on their property which has been discussed with the Hillyards.

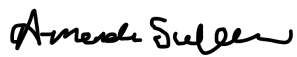
CONDITIONAL WATER:

39 Acre feet of conditional water at Beckwith that we need to show due diligence on this that we are working on making this an absolute right. This was supposed to be submitted September 30th. If Greg Stanway, the water referee, held this on his desk, which is what it sounded like happened we have to file a motion with Judge Patrick to extend the deadline for due diligence filing. We will work on getting this taken care of.

ADJOURNMENT:

Dan R. motions to adjourn the meeting at 3:15 pm Ron S. seconds and the motion carries.

Respectfully submitted,

A handwritten signature in black ink that reads "Amanda Sullivan". The signature is written in a cursive, flowing style.

Amanda Sullivan, Secretary-Treasurer