

MONTANA



Main Office

P.O. Box 7186

Missoula, MT 59807

(406) 543-0054

27 March 2008

Bud,

Dear Friend of Montana Trout Unlimited:

Enclosed is a copy of the 2007 annual report of Montana TU. We hope it informs you of some of the objectives – and recent achievements – of what we are doing on behalf of wild trout and anglers in Montana. This represents but a portion of the accomplishments of the full TU community in Montana. Our 13 chapters, and a few projects of our national office, are also active, engaged and doing much good work, some in concert with us.

If you have questions about what we do, please don't hesitate to contact me or Montana TU Chairman Tom Anacker. We really do greatly appreciate your support.

Regards,

Bruce Farling
Executive Director

*Bud,
How the heck are you?
I hope all is well. one
of Mike's clients is a donor
of ours, and we've been
communicating about a water issue
on the Madison; Mike tells me
you are well. Be great to see
you some time.*

Please reserve _____ places for me at the
TGF Dinner honoring ED ZERN on his 80th Birthday,
at The Yale Club on Monday, October 29, 1990.
I enclose my check (at \$100 per person) for \$ _____.

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Home phone: _____

Business phone: _____

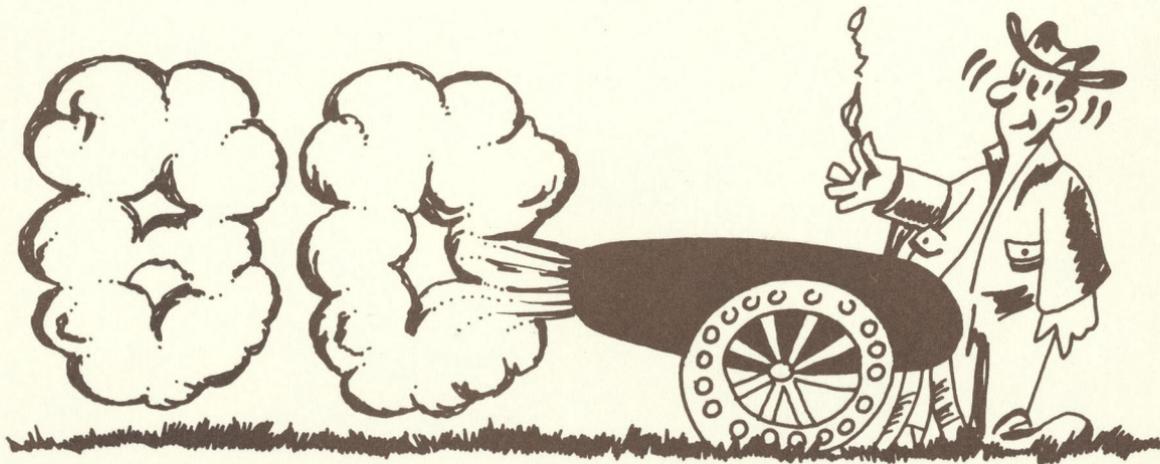
I cannot attend but I enclose a contribution to your
Conservation Fund of \$ _____.

Checks should be made out to TGF—ZERN Dinner

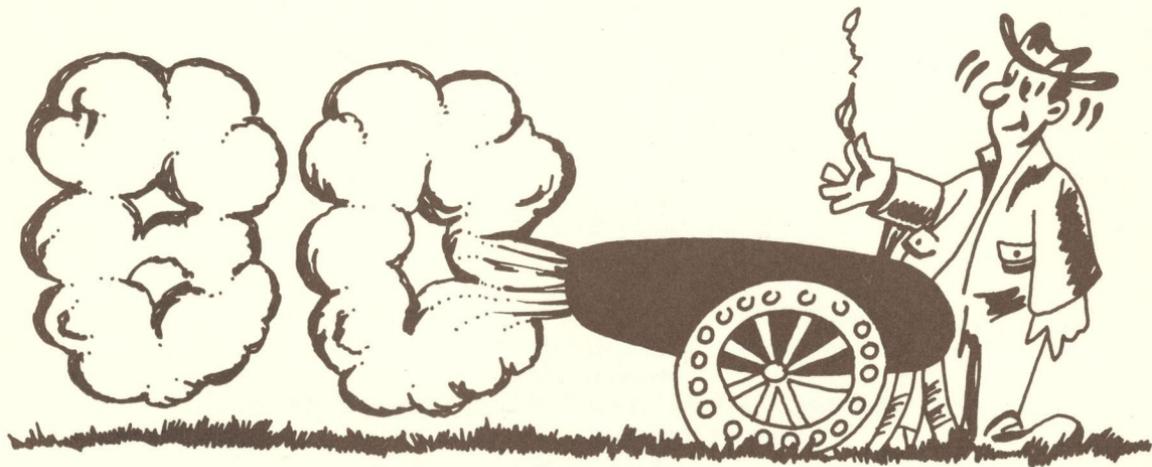
Theodore Gordon Flyfishers, Inc.
ED ZERN DINNER
P.O. Box 978
Murray Hill Station
New York, NY 10156-0603

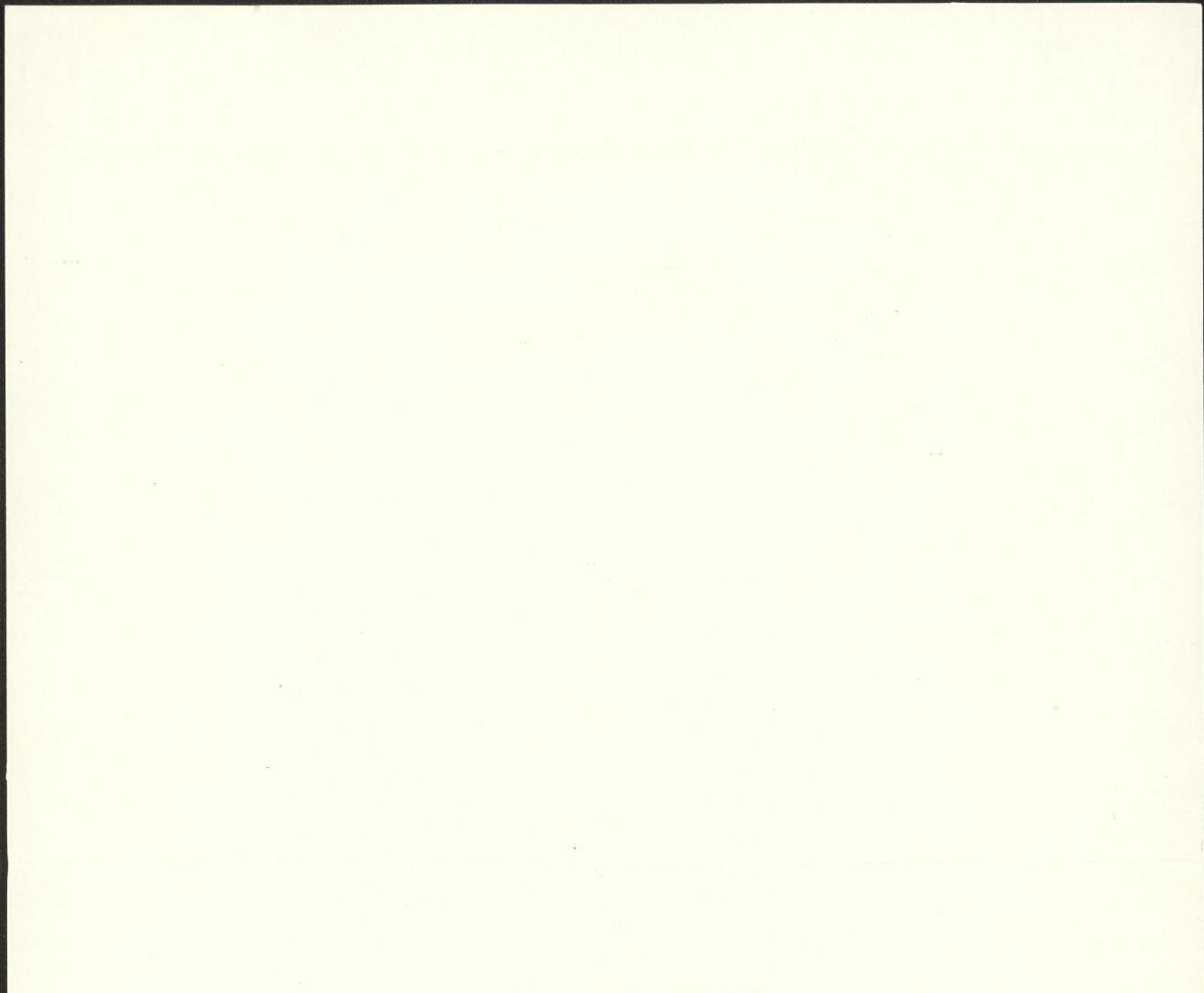


An Eightieth Birthday Dinner
for
ED ZERN



An Eightieth Birthday Dinner
for
ED ZERN





Theodore Gordon Flyfishers
invites you
to an Eightieth Birthday Dinner
for
ED ZERN

Monday, October 29, 1990
The Yale Club
50 Vanderbilt Avenue
New York City

6:00 Cocktails (Cash Bar)
7:30 Dinner

R.S.V.P. on enclosed card—no admittance without reservation
(There is space for only the first 150 reservations)

\$100 per person

All proceeds after expenses will be donated to the TGF Conservation Fund.

A tax receipt will be issued after the event.

Business attire.

Thank You 1999 Contributors & Sponsors

- American Furniture Warehouse
- Mike Atwell
- Dan Bailey's Fly Shop
- Bay Bar & Grille
- Big Sky Carvers
- Big Sky Journal
- Big Sky Ski Area
- Big Sky Western Bank
- Blue Ribbon Flies
- Bob Ward and Sons, Inc.
- Bridger Bowl
- Bridger Creek Golf Course
- Brodin Landing Nets
- Buck's T-4 Lodge
- Bud Lilly's Trout Shop
- Burger King
- R.J. Cain & Co. Outfitters
- Cardinal Distributing
- Cashman Nursery
- Chalet Market
- Country Bookshelf
- Corral Bar & Steak House
- DePuy Spring Creek
- East Slope Anglers
- Gallatin River Guides
- Gallatin Valley Furniture
- Godfather's Pizza
- Gregg Harris
- House of Clean
- Images on the Wild Side
- Jacklin's Fly Shop
- Jazz Montana
- JoNae's Chocolate Factory
- Kenyon Noble Lumber
- Dean Larson
- Lens Lake
- Gary Lewis
- Lisa's Aerobics
- MacKenzie River Pizza
- Madison River Fishing Co.
- Milesnick Recreation Group
- Montana Furniture Gallery
- Montana State University Athletic Department
- Montana Trails Gallery
- Montana Troutfitters
- Montana Woolen Shop
- Northern Lights Trading Co.
- O'Hair Spring Creek
- Old Main Gallery
- Jennifer Olsson
- Michael Owen
- Owenhouse Ace Hardware
- Phillip's Book & Office Store
- Powder Horn Sportsman's Shop
- Powell Rods
- Powerhouse Technologies
- The River's Edge
- Rocky Mountain Embroidery
- Schnee's Boots & Shoes
- Scott Fly Rod Co.
- Scott Lake Lodge
- Simms Fishing Products
- Gene Smith
- Spanish Peaks Brewing Co.
- 320 Ranch
- Tongue in Cheek Productions
- Trask & Co.
- Triple Creek Realty
- Trout Unlimited, Canada
- Turneffe Flats
- Universal Sports 'n Courts
- Vann's Electronics
- Western Heritage Inn of Bozeman
- Wilderness Press
- Winston Rod Co.
- Yellow Dog River Products
- Yellowstone Angler

We depend on the generosity of our contributors and sponsors to ensure the success of our fundraising efforts. We apologize in advance for any omissions of names that we may have inadvertently left out. Please know that your contributions is greatly appreciated.

Rod Builders

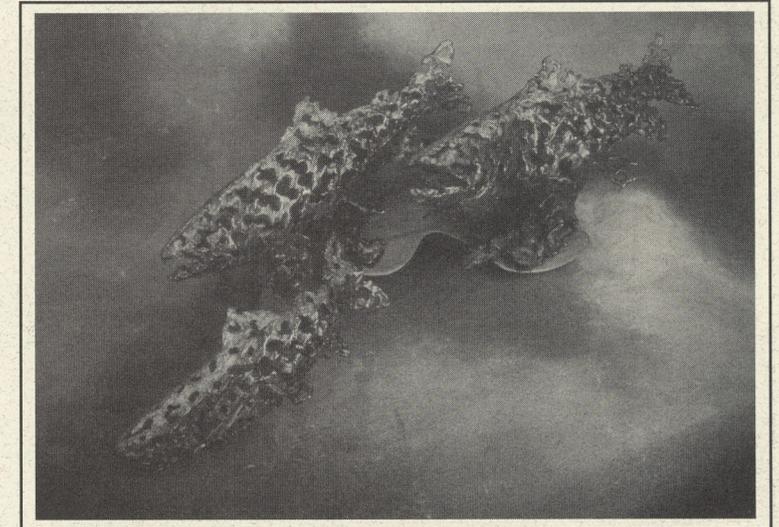
Howard Bethel
Gene Smith

Fly Tyers

Tom Anacker
Howard Bethel
Phil Braun
John Cloutman
Rick Davenport
Jeff Ferguson
Lionel Dicharry
John Glover
Sonny Greer
Gregg Harris
Don Heyden
Pat Herring
Craig Janssen
Dean Larson
Greg Messel
Travis Morris
Scott Morrison
Harry Murphy
Fred Nelson
Rand Oslund
Gene Smith
Josh Stanish
Wesley Visser



Madison-Gallatin Chapter 27th Annual



© Dana B. Kuglin

1999 Trout Fest

Sponsored By:

American Land Title Co. • Angel Law Firm, Mike Coil
Dick Walter Motors, Inc. • First Interstate Bank
Langohr's Flowerland • Montana Container Corp.
Simms Fishing Products Corp. • Spanish Peaks Brewery

Saturday, March 6, 1999
MSU Strand Union Ballroom
Bozeman, Montana

Schedule of Events

Master of Ceremonies:
Bud Lilly

Entertainment:

Brad Edwards, Craig Hall, Bryce Jarrett, Ann Tappan

- | | |
|-------------|--|
| 6:30 - 7:30 | Cocktail Hour
Sale of Raffle Tickets
Display of:
• All Auction Items
• High Roller Package |
| 7:30 - 8:30 | President's Message
Dinner & Dessert
Hat Raffle
High Roller Package
Golden Service
Award Presentation |
| 8:30 | Silent Auction Closes
Live Auction Begins
Raffles |

1998 -1999 Trout Unlimited Board of Directors

Harry Murphy	President	
Greg Wiepking	Vice President	
Bob Frey	Treasurer	
Kent Kasting	Secretary	
Tom Anacker	Tom Eggermeyer	Rod King
Carl Bear	Jeff Ferguson	Dave Kumlien
Mike Coil	Gregg Harris	Brad Parsch
Lionel Dicharry	Craig Jannssen	



1998 -1999 Trout Unlimited Banquet Committee

Tom Anacker • Carl Bear • Gregg Harris
Dave Kumlien • Harry Murphy • Greg Wiepking

Live Auction: Art Items

- "Clinton Caught with Nymphs"
Digital Painting Manipulation
Louis Archambault
- Untitled
Pencil Drawing
Kent Brodie
- Curlew Decoy
Antique-Style Wood Carving
Thomas Chandler
- "Two Boys Fishing"
Oil on Canvas
Lee Stroneck
- "Dudley the Duck Dog"
Limited Edition Lithograph
Larry Zabel
- Untitled
Oil on Canvas
Roger Cruwys
- "Fish Bank"
Original Bronze
Dana B. Kuglin
- "Autumn Solitude"
Water Color
Francis Golden

Live Auction: Trips and Such

- The Montana Majestic Mountain Whitefish Award
*Get the bid and give it to the most deserving individual.
Must be prominently displayed until the next banquet.*
- Lake Fishing Package
A deluxe package that includes a kick boat with frame, oar system & cargo deck, rod with reel, net, and a collection of lake flies meticulously tied by Phil Braun.
- Bow River Trip
Two days of guided fishing for two on Canada's Bow River with Bow River's Edge. Also included is three nights lodging for two at the Blackfoot Inn, Calgary, Canada.
- Belize Trip
Saturday to Saturday guided fishing and lodging package for two, double occupancy at Turneffe Flats, Belize. Includes one round-trip ticket on Northwest to New Orleans.
- Fly-In Fly Fishing for Lake Trout, Northern Pike and Grayling
Seven nights and six days of fly fishing at Scott Lake Lodge and Outpost in Northern Saskatchewan for one person including one round-trip ticket. Dates of the trip are June 30 to July 7, 1999.

NOTE: All trip packages do not include guide's tip or any gear or items, purchases at the bar, gift areas, etc.

Our Special Thanks to:

Brad Edwards, Craig Hall, Bryce Jarrett, Ann Tappan *Entertainment*
Bud Lilly *Master of Ceremonies*
Mark Anderson & Crew *Auctioneer*
Palmquist Creative *Graphic Design*

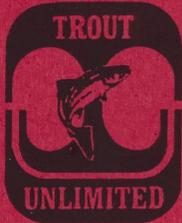
The River's Edge • Montana Troutfitters
R.J. Cain & Co. Outfitters

JOIN **BUD LILLY** AND OTHER MONTANA TU MEMBERS
IN HELENA

ON FRIDAY, FEBRUARY 17

-TO -

TALK TROUT!!!



On February 17, TU members from all around Montana will be joining Bud Lilly to **TALK TROUT** to our elected officials in Helena. Please, help TU make the case for wild trout, clean water and unspoiled rivers. This year, trout need all the help they can get! They can't talk, but you can. Plan now to join your friends and spend the day in Helena. Non-TU members also are invited to attend.

Wear your fishing vest and hat to show that you are a sportsman concerned about the future. Bring a fly to give your legislator as a reminder that sportsmen vote!

HERE IS THE SCHEDULE FOR FRIDAY, FEB. 17:

10:30-11:30 a.m. — Gather in Capitol Building (look for signs) to be briefed by Montana TU Executive Director Bruce Farling and TU Lobbyist George Ochenski. Hear the issues, the bills, and the legislators to talk to.

11:30 a.m. - Noon — TU Press Conference in Capitol Rotunda; Speakers will be Bud Lilly, Bruce Farling and Montana TU Chairman Ric Smith.

Noon - 2:00 p.m. — **TALK TROUT** to the legislators! Tell them why wild trout, clean water, and unspoiled rivers are critical to the future of Montana.

2:30 - 3:00 p.m. — Meet with **Governor Racicot** in the Conference Room of the Fish, Wildlife and Parks (FWP) Bldg., 1420 E. 6th. **Bud Lilly** will be our primary spokesperson and make a presentation to the governor on behalf of wild and native trout. (Attendance to this is limited to 50 people)

3:00 - 5:00 p.m. — Return to Capitol to continue to **TALK TROUT** to legislators. **-OR-** Briefing by FWP staff in FWP Conference Room on **whirling disease** epidemic and its implications for the future of trout fishing in Montana. Followed by an open question-and-answer session on any and all topics.

5:30 p.m. — Match the hatch at a local watering hole to review the day's events.

All TU members also are welcome to attend the Montana TU State Council meeting on Saturday, Feb. 18 at the FWP Conference Room. Details given on Friday.

For more information, contact:

- Chairman Ric Smith, 406-887-2495 or
- Executive Director Bruce Farling, 406-543-0054

FISH CAN'T WRITE...



BUT YOU CAN!



Montana Council of Trout Unlimited
P.O. Box 262
Hamilton, MT 59840

NONPROFIT ORG
BULK RATE
U.S. Postage
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Permit #29
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21010533 SR 024 07 MT 9611
MR BUD LILLY
2007 SOURDOUGH ROAD
HAMILTON, MT 59715-5874



432 N. Last Chance Gulch

P.O. Box 412

Helena, MT 59601

(406) 449-9933

Bud & Esther Lilly
2007 Sourdough Rd
Bozeman, MT. 59715

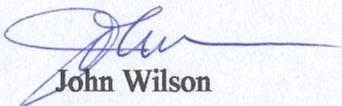
March 4, 2002

Dear Bud & Esther,

Recently good things have been or are happening for trout on the Madison River and some interesting whirling disease research has surfaced. Knowing your interest in the Madison fishery I thought I would take a minute and send this information on to you. No need to respond.

- As of March 1 the snowpack was 85-90 percent of normal and March is coming in like a lion.
- There should be a good number of larger trout in the river this summer but the following years are less certain. (See enclosed article)
- The \$ 3 Bridge Conservation Purchase looks like it has sufficient funding to wrap up this summer (see enclosed Orvis catalog narrative which went out to 1M anglers). A conservation easement with MLR precluding any subdivision or homes will protect the 600 upland acres. Mt F, W&P will purchase the remaining 100 acres linearly along the river to provide historic angler access and protect the riparian zone (no camping or boat launching ever). The spring creek on the west side is slated for rebuild for Madison spawning enhancement starting in June. **Don't send money for this project, amazingly it looks like we have enough!**
- With the support of the agricultural community Trout Unlimited has signed landmark water lease agreements for instream flow on three Madison tributaries coming off the Sun Ranch. This will mark the first time water from these tributaries will reach the Madison in decades!
- Madison River whirling disease research completed by Dick Vincent shows a positive correlation between flow levels and infection rates. This implies a potential way to manage the disease in the Madison. I have enclosed a copy of the abstract. The full study can be requested from the Whirling Disease Foundation.
- An Idaho company has applied for a license to retrofit Hebgen Dam with hydro generators. We are watching over this application to prevent impacts to the fishery.

Best personal regards,


John Wilson

*This went out to a bunch of mutual
friends... I thought you would be
interested too!
Any movement on
the house?*

J



Helena Office

405 Monroe Ave.

Helena, MT 59601

(406) 449-9933

October 16, 2001

Guel & Ethel,

It blew me away that you bid on my Missouri float-trip. It would be an honor for me to host you in the boat ... you two are both heroes for me, all you have done for Montana and its great trout rivers!

So let's go, I'll clear the decks for you anytime!

I hope all is going well with your new venture, change is good ... but less easy as we get older.

Montana TV's income doubled in the last year and with the addition of Stan Bradshaw we are fielding a great team focused on getting things

done. Speaking of which, can you get
us a new Governor?

My best to you both —

JW

all
my

Montana Trout Unlimited (MTU) Grant Guidelines

Introduction. The state council has established (2002) two investment funds from which the fund earnings can be granted to Montana chapters or used for specific MTU projects to further MTU's mission "to conserve, protect and restore Montana's coldwater fisheries and their habitat". To be considered for the grants chapters must submit a written application complete with a project budget. The state council will review applications three times per year and make funding decisions.

As of March 2004 the funds available for grants are limited but we intend that they will grow over time. Because funds are limited we suggest you call MTU (Bruce Farling 543-0054 or John Wilson 449-9933) prior to completing an application to find out if sufficient funds are currently available for your planned project.

Project eligibility. It is the state council's desire to enable creative and result oriented projects while retaining reasonable accountability and minimum red tape. Only Montana chapters of Trout Unlimited or affiliates of MTU are eligible for these funds. The current president, chair or presiding officer of the chapter must sign the application. Each application must indicate whether they are applying for Habitat Protection and Enhancement Funds or Wild Trout Stewardship Funds. The following delineates the categories of projects eligible for funding from the respective fund sources.

Habitat Protection and Enhancement Fund

- Projects that improve water quality.
- Projects that improve riparian protection, including habitat restoration and acquisition of key conservation properties.
- Projects that enhance stream flows, including investments in water-use efficiency and acquisition or leasing of water and water rights.
- Projects that enhance watershed health
- Efforts intended to protect important trout habitat from harm.
- Intervention and advocacy in political (within the limits of 501 © 3 tax status) and policy areas affecting the conservation, protection and restoration of wild trout and their habitats.

Wild Trout Stewardship Fund

- Educational activities that foster understanding of the biological, cultural and economic values of wild trout.
- Outreach to landowners for conservation of wild trout populations, water quality, streamflows and trout habitat.

- Communication efforts aimed at the public, elected officials, policymakers, TU members and leaders of Montana TU.
- Research programs specifically designed to accomplish or contribute to the conservation, protection and restoration of wild trout and their habitats.
- Programs and projects benefiting Montana's native trout and grayling.

Application annual deadlines:

September 1st

February 1st

May 1st

As of March 2004 the funds available for grants are limited but we intend that they will grow over time. Because funds are limited we request you call MTU (Hence Perleg, 543-0054 or John Wilson, 406-993-1111) prior to completing an application to find out if sufficient funds are currently available for your project.

It is the state council's desire to enable creative and result oriented projects while retaining a sense of accountability and maximum cost-effectiveness. Only Montana chapters of Trout Unlimited or affiliates of MTU are eligible for these funds. The current president, chair or providing officer of the chapter must submit application. Each application must indicate whether they are applying for Habitat Protection and Enhancement Funds or Wild Trout Stewardship Funds. The following delineates the categories of projects eligible for funding from the respective fund sources.

Habitat Protection and Enhancement Fund

- Projects that improve water quality.
- Projects that improve riparian protection, including habitat restoration and acquisition of key riparian area properties.
- Projects that enhance stream flow, including investments in water use efficiency and acquisition or leasing of water and water rights.
- Projects that enhance watershed health.
- Efforts intended to protect important trout habitat from harm.
- Intervention and advocacy in political (within the limits of 501 © 3 tax status) and policy areas affecting the conservation, protection and restoration of wild trout and their habitats.

Wild Trout Stewardship Fund

- Educational activities that foster understanding of the biological, cultural and economic values of wild trout.
- Outreach to landowners for conservation of wild trout populations, water quality, streamflows and trout habitat.

MONTANA TROUT UNLIMITED
Investment Report
for 12/31/04

General Fund ***	Habitat Fund	Stewardship Fund	Legal Fund	Three Fund Total	MT Comm Fndtn Endowment	MT Comm Fndtn Endowment Agency
Beginning Balance 10/01/04	94,016.21	60,550.65	25,804.02	180,370.88	10,118.99	353.36
Contributions						
Investment Income	1,006.06	641.39	250.76	1,898.21		
Transfers to/from Checking						
Transfers to/from Managed Funds				0.00		
Administrative Fees	(234.48)	(153.32)	(63.12)	(450.92)		
Subtotal	94,787.79	61,038.72	25,991.66	181,818.17	10,118.99	353.36
Change in Investment Value	3,504.11	2,247.90	859.49	6,611.50		
Realized Gains (Losses)	224.2	143.83	54.98	423.01		
Unrealized Gains (losses)						
Balance 12/31/04	98,516.10	63,430.45	26,906.13	188,852.68	10,118.99	353.36

The State Council requires a general fund reserve of 60% (179,100) of the unrestricted annual budget expenses

Initial Investment in Managed Funds June 2002: Habitat Fund \$60,000, Stewardship Fund \$40,000, Legal Fund \$14,000

October 2004 Transfers to Checking from General Fund for I-147 \$ 60,000
 December 2004 Transfers from Checking to General Fund \$ 115,000

Paul,
 I expect another \$100,000 ± to be deposited in these accounts in February by the state Council transferring from General Fund.

Montana Trout Unlimited
Habitat Protection and Enhancement Fund

Governing Document

Adopted 1/12/2002

Scope and Intent. A long-term fund intended to be a source of steady revenue for the following activities of Montana TU's mission:

- Projects that improve water quality.
- Projects that improve riparian protection, including habitat restoration and acquisition of key conservation properties.
- Projects that enhance stream flows, including investments in water-use efficiency and acquisition or leasing of water and water rights.
- Projects that enhance watershed health
- Efforts intended to protect important trout habitat from harm.
- Intervention and advocacy in political and policy areas affecting the conservation, protection and restoration of wild trout and their habitats.

Use of the Fund. Income and capital gains may be used to cover the direct costs of protection and enhancement activities, including staff time, consultant or legal expenses, travel, phone, property acquisition, and expenses incurred by authorized representatives of Montana Trout Unlimited, including staff and board members. The fund corpus shall not be used to cover Montana TU's day-to-day operating costs unless the Montana TU State Council determines by a three-fourths majority vote that a fiscal emergency exists.

Sources of Revenue Gifts and contributions from individuals, foundations, corporations, partnerships, TU chapters and affiliates or other private entities. Bequests, gifts from estates, gifts of property, securities or gifts from trusts, annuities or similar financial instruments. Income from General Fund transfers.

Authorization of Use. The Montana TU State Council by a majority vote can authorize use of the Habitat Protection and Enhancement Fund. The Montana TU State Council can authorize its executive committee to approve use of the fund.

Investment of the Fund. The primary investment goals of the fund are capital preservation and generation of income for funding activities of the Habitat Protection and Enhancement Fund. A maximum 55 percent of the fund may be invested in fixed-asset equities. No single company may represent more than five percent of the fund's portfolio. Investments cannot be made in bonds with a rating less than "B."

Montana Trout Unlimited
Wild Trout Stewardship Fund

Governing Document

Adopted 1/12/2002

Scope and Intent. A long-term fund intended to provide steady revenue for the following stewardship activities of Montana TU's mission:

- Educational activities that foster understanding of the biological, cultural and economic values of wild trout.
- Outreach to landowners for conservation of wild trout populations, water quality, streamflows and trout habitat.
- Communication efforts aimed at the public, elected officials, policymakers, TU members and leaders of Montana TU.
- Research programs specifically designed to accomplish or contribute to the conservation, protection and restoration of wild trout and their habitats.
- Programs and projects benefiting Montana's native trout and grayling.

Use of the Fund. Income and capital gains may be used to cover the direct costs of stewardship activities, including staff time, consultant or legal expenses, travel, phone, communication production costs, and expenses incurred by authorized representatives of Montana TU, including staff and board members. The fund corpus shall not be used to cover the day-to-day operating costs of Montana TU unless the Montana TU State Council determines by a three-fourths majority vote that a fiscal emergency exists.

Source of Revenue Gifts and contributions from individuals, foundations, corporations, partnerships, TU chapters or affiliates or other private entities. Bequests, gifts from estates, gifts of property, securities or gifts from trusts, annuities or similar financial instruments. Income from General Fund transfers.

Authorization of Use The Montana State Council by a majority vote can authorize use of the Wild Trout Stewardship Fund. The Montana TU State Council can authorize its executive committee to approve use of the fund.

Investment of the Fund. The primary investment goals of the fund capital preservation and generation of income for funding stewardship activities. A maximum 55 percent of the fund may be invested in fixed-asset equities. No single company may represent more than five percent of the fund's portfolio. Investments cannot be made in bonds with a rating of less than a "B."



432 N. Last Chance Gulch

P.O. Box 412

Helena, MT 59624

(406) 449-9933

Mr. Bud Lilly
13013 Frontage Rd
Manhattan, MT 59741
February 5, 2005

Dear Bud,

Like you, I want to see the Montana Trout Foundation prosper. It has an important mission and a distinguished history.

The past few years and the "market" have made it tough for MTF to award grants at previous levels. I understand that raising new funds has been difficult. I believe the concept of protecting the MTF corpus and only spending the investment earnings is a sound one. But at the current fund level the foundation is not generating enough income to award grants and cover administration costs. That's a tough situation.

Four years ago Montana Trout Unlimited initiated two new endowment funds to further the mission of conservation, protection and restoration of Montana's cold-water fishery and its habitats. The idea is patterned after a similar and successful idea at the Montana Land Reliance that you and I both worked on ten years ago. The Montana TU funds are:

Habitat Protection and Enhancement Fund

Wild Trout Stewardship Fund

I have enclosed the State Council approved governing documents for each of the funds. These documents spell out what each fund can be used for, how it is administered and how it is invested. You will see that they are structured and designed to accomplish goals similar to that of the MTF.

Also enclosed is an investment report as of December 31st that will give you a sense for how much money is in each account. These funds have been generated from two sources. First, the State Council transfers any annual MTU income above expenses from our general fund to these funds. That is where the lion's share of the current account balances has come from. We expect to transfer an additional \$100,000 into these two fund accounts at upcoming our February State Council meeting. Second, gifts and contributions from individuals, foundations, corporations, partnerships, TU chapters or affiliates or other private entities. Bequests, gifts from estates, gifts of property, securities or gifts from trusts, annuities or similar financial instruments. Sound familiar?? From these sources we have not yet done so well.

As the MTF board weighs its options it occurred to me that the MTU and MTF funds could be combined which would enable both to better accomplish their similar goals...without having to draw on the MTF fund principle. MTU could administer the grants program at no cost to the MTF. Page Dabney at DADCO currently manages our funds. He said that MTF's management and MTU's specific fund management was almost identical. So that seems plausible.

I envision a grants committee being set up comprised of six folks...three from the MTF and three from MTU. They would meet two times per year to decide on grant applications. Currently our grant money from the funds is only available to chapters as matching funds for projects. I can see we would have to broaden that to accommodate MTF. We can consider altering the fund purposes to assure MTF's goals are covered and purposes not aligned with MTF are removed. All of this would have to be approved by the State Council. I think we could also consider changing the names of the funds if MTF board so desires...I recommend "Bud Lilly Habitat Protection and Enhancement Fund" and "Bud Lilly Wild Trout Stewardship Fund".

Because the goals of the MTU and MTF funds are so similar it makes sense to economize on the overhead and administrative costs. It also makes sense to combine them so we can both drive up grant making income and get more done on the ground.

Bud, I want only the best for the resource. I think my track record clearly shows that. Though this idea is somewhat bold, it is not an MTU money grab...it is my idea alone at this point and comes from my unique position of sitting on the MTF Board and having designed the funds for MTU. I can see the benefits. I hate to think about spending the corpus of the MTF funds, as it will lead to an eventual demise of MTF. We can't afford that.

I would be glad to package this up and present it to the MTF Board if you so desire and at your direction.

John Wilson

A handwritten signature in blue ink, appearing to read "John Wilson", with a long horizontal flourish extending to the right.

My best to Esther



Main Office

P.O. Box 7186

Missoula, MT 59807

(406) 543-0054

February 6, 2003

Dear State Council *Burd* Director or Stewardship Director,

Enclosed is Montana TU's 2002 Annual Report chronicling our achievements in the past year. As you will read, despite a slumping economy and continued drought, we made significant gains last year. Montana TU continues to grow and become more effective in meeting our mission of conservation, protection and restoration of the states' coldwater resources. We appreciate your support very much!

In addition to our conservation gains, this past year we implemented new accounting systems and a financial management plan that helps us manage our assets and ensures we remain stable in tough times. Plus, we established three specific funds to provide future income for habitat, stewardship and legal purposes (see report for detail).

Kate Grant and Mary Ellen Carter, who for some time have been our administrative staffers, have moved on to new ventures. They will be missed. Martina Baker is our new Program Assistant (and the voice that answers the phone). She is very skilled and fits in well with our small but capable staff that includes Executive Director Bruce Farling and Conservation Director John Wilson. Bruce and John will continue to lead our conservation efforts in 2003.

Montana TU has a proactive agenda for 2003 that includes legislative initiatives, our usual watchdogging, continued progress on the Jefferson River restoration, new conservation and rehabilitation opportunities on the Madison and Missouri Rivers, a ninth-inning push for removal of the Milltown Dam and its contaminated sediments, continued upper Clark Fork River restoration and protection of the Smith River's flows. In addition, in 2003 we anticipate putting increased effort into dealing with continued drought.

When I consider where Montana TU is today compared with ten years ago, the change is very dramatic and positive. I hope you share my sense of pride in our growing effectiveness, accomplishment and public credibility. Your dedication and help are significant reasons for our growing success!

See you on the river,

Kirk Evenson
Chairman