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STATE OF MONTANA OFFICE OF THE GOVERNOR



DEAR PAUL:

Thruk you FOR ShariNG the Guide to Fly Fishing the New West with me. I Sincepely Appreciate your kindness AND look forward to enjoying the book FOR YEARS to come. Best wishes AND WARM REGARDS to you AND Bud.

Mare Recial



Mr. Bud Lilly 2007 Sourdough Road Bozeman, MT 59715-5874 Nathaniel Pryor Reed Post Office Box 1213 Hobe Sound, Florida 33475

Nathaniel Pryor Reed

July 30, 2001

Mr. Bud Lilly 2007 Sourdough Road Bozeman, MT 59715-5874

Dear Bud,

Although significantly distant from the glorious Bozeman Valley and the wonderful trout streams that we both love, I would be thrilled to add my name on a committee to assist Montana State University to build a world class Trout & Salmon Collection named for you!

We share the sense of desperation of watching Montana remain in the dark ages of environmental policies. The only hope is education and environmental activism. I will help you in any way, including making gifts from my extensive collection of fishing books.

I may not be able to be a major fund source, as I am committed too much of my resources to the continuing effort to "save" south Florida and the everglades system, but you can count on me to lend my name, my time and a limited grant.

With special and warmest best wishes,

Sattaine Que 0/18

Bob Ranes
ald 5.6 st.
Livingston, MT 58047



Bud Lilly 2007 Sourdough Rd Bozeman, MT 59715







PHOTOWORKS CHLL 1-800-PHOTOWORKS PRINT 3 ROLL 30195480 05SEP01

9/17/01 Hi Bud, Here are a couple of photos of you and friends and you, Esther & Bob. fearne thinks it's a great shato - If Bob had had combed his hair! Here is hoping we can put together a night at Southern Cross in Oclober, Ham pal, Dob

December 6, 1997

Bud Lilly 2007 Sourdough Road Bozeman, MT 59715

Dear Bud,

Enclosed is the document we have developed to outline a unique approach to saving Montana's state fish and improving our natural and wild fisheries resources.

We believe a number of conditions currently exist that provide both the impetus and the opportunity to increase both government and private efforts to restore and improve habitat through "on-the-land" actions.

George and I look forward to meeting with you on December 9, and benefiting from your input. Of course, we will answer any questions you might have regarding this proposal. (If the weather is right, we're ready to fish!)

Thank you for your long-time commitment to Montana's environment, especially fisheries, and your particular interest in our efforts.

Sincerely yours,

Bob Raney

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CUTTHROAT TROUT FOUNDATION, INC.

Organization

The Cutthroat Trout Foundation (CTF) is a 501(c)(3) corporation formed by a small group of committed, highly-skilled individuals with a long and successful track record in developing and implementing long-term, beneficial public resource policies. (see attachment 1)

CTF brings a fresh perspective to the issues surrounding the survival of Cutthroat trout and other wild, native fish in Montana. CTF believes habitat restoration and reduction of competition and interbreeding by introduced species are paramount public and private policy objectives.

CTF, organized in the summer of 1997, has a Board of Directors comprised of Wayne Hirst, (President), George Ochenski and Bob Raney. The Foundation has no other directors, managers or staff, but may consult with other individuals with specific skills and knowledge as needed. The directors employ a strategy that avoids political party affiliations and high-profile press while accomplishing goals by crafting solutions that are sensible, sustainable and affordable (rather than focusing on who gets the credit). There are many advantages to this method, including the ability to remain outside debilitating "us versus them" polarities.

Project

This project has two primary components: Analysis and Formulation of Policy Options.

- Analysis: CTF proposes to analyze state, federal and private policies and programs to
 determine incentives/disincentives for cutthroat habitat protection and improvement,
 fiscal or program inefficiencies and duplication. Special attention will be paid to
 coordination of agency and private activities and potential funding sources for aquatic
 and riparian resource maintenance, restoration and enhancement.
- Policy Formulation: Policy options will be formulated to maximize funding for habitat improvement, coordinate agency and private activities and minimize fiscal consumption by government agencies. This effort will increase on-the-land maintenance and restoration while fostering cooperation between landowners, conservationists and recreationists. The result will be more wild trout, cleaner water and a healthier environment for all Montanans.

Need

Conventional policy options often "move at the speed of government." Unfortunately, the cutthroat may well be gone before public land managers, private land owners and task forces can agree on what measures should be taken to save the fish. For example, in April 1994 the Montana Department of Fish Wildlife and Parks (DFWP) issued a Draft

Yellowstone Cutthroat Management Guide for the Yellowstone Cutthroat Trout Working Group. That document has yet to be finalized. Such agency inaction has prompted several groups to file a petition to list the cutthroat under the Endangered Species Act. CTF proposes to develop policy options that swiftly implement actions necessary to maintain, restore and enhance vital areas of wild fish habitat necessary to restore the cutthroat - not study its precipitous decline.

History

The Cutthroat trout, according to most studies, now occupies less than 10% of its original habitat. Under current management efforts, their final demise is just a matter of time. Ongoing fish stocking efforts (creating hybridization and competition) and habitat destruction continue to exacerbate the plight of the cutthroat.

Goal

It is the purpose of CTF to increase native fish habitat, reduce non-native competition, and maintain viable populations of Cutthroat trout and other wild native fish.

Strategy and Implementation

CTF relies upon developing policy options (good ideas) that make sense to affected people and work within existing revenues (no new taxes or fees). Policy options crafted within these parameters have a significantly greater potential for success than options that rely on new regulations or new/increased taxes and fees. Thorough research of budgets and program directives is imperative for developing sensible, fiscally conservative policy options that will work with the private sector.

This strategy has worked in the legislative arena for many years. Citizens and legislators of the Rocky Mountain West appreciate good ideas that work "on-the-land" -- especially if they aren't partisan and don't require new taxes. Past proposals by CTF directors have garnered broad support and brought Montanans together. Examples of their work include the River Restoration Act of 1989 and the Future Fisheries Act of 1995, both policy changes for improving fish habitat.

Benefits from the Project

Developing policy options to more effectively use scarce fiscal resources will have significant benefits. These options will help direct state, federal and private resources to provide increased and improved cutthroat habitat and reduce competition from non-native fish, thus giving the cutthroat and other native and wild fish a better chance at survival

The same policy options that improve habitat for Cutthroat have significant benefits for society at-large. Following Montana's divisive "Water Wars," pulling Montanans together to produce cleaner water is a much-needed benefit. And it's fiscally sound. Cleaner water at the source means less spent to "purify" it for use in our major municipalities while reducing nutrient loading in our downstream reservoirs.

Policy options that strategically coordinate agency efforts and move funds into on-the-land habitat improvements will result in a reduction in government administrative costs and capital expenses -- a rare and welcome option for citizens.

Finally, these efforts will provide a working model for similar restructuring in other states, other areas of government and private enterprise to address vitally important environmental and societal needs.

The Timing

This project should be launched immediately to take advantage of state, federal and private activity currently focused on our native fish. Following program and budget analysis, preparation of policy options should begin by late spring of 1998. Coalition building should begin by late summer of 1998. The Montana Legislature meets again in regular session in January of 1999.

Conclusion

Changing existing policies is difficult, but past successes show it can be done. In the last 8 years, millions of dollars have been re-allocated, with broad support, to "on-the-land" expenditures for maintenance and restoration activities. Sponsors of this project will know their efforts are successful when less money goes into capital improvements, studies, and agency operations and more goes into habitat for wild Cutthroat trout.

- end -

attachments: 1

ATTACHMENT 1

Policies developed by CTF board members that have been approved by the Montana Legislature: (to save space, compiler's notes, history and other information in the MCA have been edited out)

1989-River Restoration Act -

87-1-255. Purpose. The legislature finds that the conservation of rivers and their fisheries is of vital social and economic importance to Montana. The legislature further finds that some of our state's rivers and fisheries are diminished in value by water pollution, water shortages, and riparian erosion and that there is a need for a program to promote the beneficial use and productivity of our river systems. The legislature further finds that establishment of a river restoration program, funded by anglers from across the state and nation, is a sound and proper method to help ensure that the rivers and fisheries that anglers and others have treasured for Montana's first 100 years will continue to serve the state and its people.

History

1989 Statement of Intent: The statement of intent attached to Ch. 601, L. 1989, provided: "It is the intent of the legislature that the department of fish, wildlife, and parks conduct the river restoration program in coordination, communication, and cooperation with local landowners, lessees, and conservation district officials so that projects conducted under the program will benefit the river resource and all parties involved."

1991-Parks and Fishing Access Site Development Act

23-1-110. Improvement or development of state park or fishing access site -required public involvement -- rules. (1) The fish, wildlife, and parks commission shall
adopt rules establishing a policy whereby any proposed improvement or development of a
state park or fishing access site that significantly changes park or fishing access site
features or use patterns is subject to notice of proposed modifications, both statewide and
locally, and to opportunity for a public meeting and public comment on the advisability
and acceptability of the proposal.

(2) The department shall prepare a public report regarding any project that is subject to the provisions of subsection (1). The report must include conclusions relating to

the following aspects of the proposal:

(a) the desires of the public as expressed to the department;

- (b) the capacity of the park or fishing access site for development;
- (c) environmental impacts associated with the improvement or development;

(d) the long-range maintenance of the improvements;

(e) the protection of natural, cultural, and historical park or fishing access site features;

(f) potential impacts on tourism; and

(g) site-specific modifications as they relate to the park or fishing access site system as a whole.

1993 - Increased funding for River Restoration Act

Amendments to the appropriations act significantly increased money going to river restoration.

1993 - Primitive Parks Act

23-1-115. Short title. Sections 23-1-115 through 23-1-118 may be cited as the "Montana Primitive Parks Act".

Preamble: The preamble attached to Ch. 501, L. 1993, provided: "WHEREAS, certain Montana state parks still retain the unique, primarily undeveloped character for which they were originally acquired; and

WHEREAS, there is an abundance of other state and federal land that has been developed beyond its primitive condition and that is readily available to the recreating public; and

WHEREAS, there are also numerous well-developed private sector recreational opportunities in Montana; and

WHEREAS, Montana should provide a variety of recreational opportunities for its residents; and

WHEREAS, Montana residents have the right to use primarily undeveloped state parks without regard to their ability to pay, and

WHEREAS, budget constraints militate against further improvement of Montana's primarily undeveloped state parks."

23-1-116. Primitive parks established.

- 23-1-116. **Primitive parks established**. Because of their unique and primarily undeveloped character, the following state parks and management areas are designated as primitive parks and are subject to the provisions of 23-1-115 through 23-1-118:
 - (1) Big Pine management area;
 - (2) Thompson Falls state park;
 - (3) Wild Horse Island state park;
 - (4) Lost Creek state park;
 - (5) Painted Rocks state park;
 - (6) Ackley Lake state park;
 - (7) sluice boxes state park;
 - (8) Deadman's basin state park;
 - (9) Pirogue Island state park;
 - (10) Medicine Rocks state park;
 - (11) Headwaters state park;
 - (12) Council Grove state park;
 - (13) Beaverhead Rock state park;
 - (14) Natural Bridge state park; and
 - (15) Madison Buffalo Jump state park.
- 1995 Amendment: Chapter 476 in (1) substituted "Big Pine management area" for "Lambeth (Lake Mary Ronan) state park". Amendment effective June 30, 1995.

23-1-117. **Limit on development of primitive parks**. (1) As of October 1, 1993, the only development allowed in primitive parks designated in 23-1-116 is:

(a) necessary improvements required to meet minimum public health standards regarding sanitation, which may include necessary access to outhouses, vaults, and water,

(b) improvements necessary to ensure the safe public use of existing boat ramps;

(c) addition of gravel to existing unpaved roads and the resurfacing of paved roads when necessary to ensure safe public access;

(d) establishment of new hiking trails or improvement of existing hiking trails, and

(e) installation of minimal signage indicating that the park is a designated primitive park in which development has been limited and encouraging the public to help in maintaining the park's primitive character by packing out trash.

(2) The following development of designated primitive parks is prohibited:

(a) installation of electric lines or facilities, except when necessary to comply with subsection (1)(a);

(b) installation of recreational vehicle sanitary dumpsites where they do not presently exist; and

(c) creation of new roads and paving of existing but previously unpaved roads.

23-1-118. Elimination of resident user fee -- fee for nonresident use -- penalty.

23-1-118. Elimination of resident user fee -- fee for nonresident use -- penalty. (1) In recognition of the right of Montana residents to use primitive parks without regard to their ability to pay, a Montana resident is not required to pay a user fee for the use of any primitive park designated in 23-1-116, except that the department may charge camping fees at Thompson Falls state park and Headwaters state park.

(2) A nonresident who wishes to use a primitive park is required to pay the state

park user fees chargeable under 23-1-105.

1993 - Bed Tax for Park Maintenance of State Parks

15-65-121. Distribution of tax proceeds -- general fund loan authority. (1) The proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 15-1-501, be deposited in an account in the state special revenue fund to the credit of the department of revenue.

(a) 1% to the Montana historical society to be used for the installation or

maintenance of roadside historical signs and historic sites;

(b) 2.5% to the university system for the establishment and maintenance of a Montana travel research program;

(c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks that have both resident and nonresident use;

(d) 67.5% to be used directly by the department of commerce; and

(e) 22.5% to be distributed by the department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds collected statewide.

1995-Future Fisheries Improvement Act,

87-1-272. (Temporary) Future fisheries improvement program -- funding priority -- reports required. (1) In order to enhance future fisheries through natural reproduction, the department shall establish and implement a statewide voluntary program that promotes fishery habitats and spawning areas for the rivers, streams, and lakes of Montana's fisheries.

- (2) The department shall by April 1, 1996, and thereafter when projects are suggested by the future fisheries review panel, through a public hearing process and with the approval of the commission, prioritize projects that have been recommended by the review panel to be funded. Emphasis must be given to projects that enhance the historic habitat of native fish species. The department shall fund and implement the program regarding the long-term enhancement of streams and streambanks, instream flows, water leasing, lease or purchase of stored water, and other voluntary programs that deal with wild fish and aquatic habitats. A project conducted under the future fisheries improvement program may not restrict or interfere with the exercise of any water rights or property rights of the owners of streambeds and property adjacent to streambeds, streambanks, and lakes. The fact that a program project has been completed on private property does not create any right of public access to the private property unless that right is granted voluntarily by the property owner.
- (3) The department shall work in cooperation with private landowners, conservation districts, irrigation districts, local officials, anglers, and other citizens to implement the future fisheries improvement program. Any department employee who is employed under this section to facilitate contact with landowners must have experience in commercial or irrigated agriculture. The department shall encourage the use of volunteer labor and grants, matching grants, and private donations to accomplish program purposes. The department may use contracted services:
 - (a) for negotiations with landowners, local officials, citizens, and others,
- (b) for coordination with other agencies that may be involved in projects conducted under this section; and
 - (c) to perform and supervise project work.
- (4) Funds expended under this section may be used only for projects for the protection of the fisheries resource that have been identified by the review panel established in 87-1-273 and approved by the commission and may not be used for the acquisition of any interest in land.
- (5) (a) The department shall report to the commission on the progress of the future fisheries improvement program every 12 months and post a copy of the report on a state electronic access system to ensure public access to the report.
- (b) The department shall also present a detailed report to each regular session of the legislature on the progress of the future fisheries improvement program. The legislative report must include the department's program activities and expenses since the last report and the project schedules and anticipated expenses for the ensuing 10 years' implementation of the future fisheries improvement program.
- (c) In order to implement 87-1-273 and this section, the department may expend revenue from the future fisheries improvement program for up to two additional full-time employees. (Terminates July 1, 2005--sec. 5, Ch. 463, L. 1995.)

1997 Amendment: Chapter 440 in (5)(a) substituted "report on a state electronic access system" for "report on the state electronic bulletin board".

Preamble: The preamble attached to Ch. 463, L. 1995, provided: "WHEREAS, the rivers and streams of Montana hold one of the state's most important and economically

valuable resources--wild fish; and

WHEREAS, the loss of historic spawning areas and other crucial habitats of native fish species is one of the greatest threats to the natural reproduction and propagation of the fish resource; and

WHEREAS, the state is presently in a position to address the key issue of these aquatic habitats in order to promote the future viability of Montana's wild fisheries before the continued loss of spawning areas and other habitats diminishes or destroys the resource; and

WHEREAS, a wild fisheries enhancement program will immensely benefit landowner-sportsperson relations; and

WHEREAS, a wild fisheries enhancement program will benefit Montana's

economy; and

WHEREAS, it is fiscally sound state policy to enhance natural habitats and spawning areas to improve fishing opportunities now and preserve fishing opportunities for future generations; and

WHEREAS, voluntary cooperation between landowners, interested citizens, public and private organizations, and the Department of Fish, Wildlife, and Parks will help accomplish the purposes of the future fisheries improvement program."

Termination: Section 5, Ch. 463, L. 1995, provided: "(1) [Sections 1 and 2] [87-

1-272 and 87-1-273] terminate July 1, 2005.

- 87-1-273. (Temporary) Future fisheries review panel -- purpose -- appointment and duties. (1) The governor or governor's designee shall call for nominees for, accept and review recommendations for, and, by August 1, 1995, appoint a future fisheries review panel. The panel must consist of at least 10 members, including but not limited to:
 - (a) one member who is a representative of conservation districts;
 - (b) one member with expertise in commercial agriculture or silviculture;
 - (c) one member with expertise in irrigated agriculture;
 - (d) one member from the private sector who is a fisheries restoration professional;
 - (e) two members who are licensed Montana anglers;
- (f) one member of the house of representatives, chosen by the speaker of the house;
 - (g) one member of the senate, chosen by the committee on committees;
 - (h) one member who is a representative of the governor's office; and
 - (i) one member who is a Montana high school student.
- (2) A member appointed to the review panel shall serve a 2-year term and may be reappointed.

(3) The purpose of the review panel is to:

- (a) review, at least every 6 months, proposed projects that have been submitted by public or private entities for funding;
- (b) determine what projects are eligible for inclusion in the future fisheries improvement program;

(c) approve or reject proposed projects; and

(d) forward a list of approved projects to the department.

(4) To be eligible for funding, a project must be generated at the local level and must be developed and presented to the review panel by the department, local landowners, conservation districts, or other interested citizens. Before consideration of any project that involves streambed or streambank restoration, a change in the use of water, or any other purpose that affects a particular property owner's interest in land or water, the review panel is required to find that the project is being proposed for funding with the voluntary approval of the participating property owner. (Terminates July 1, 2005)

1995 - Weed Management Act

7-22-2151. Cooperative agreements. (1) A state agency that controls land within a district, including the department of transportation; the department of fish, wildlife, and parks; the department of corrections; the department of natural resources and conservation; and the university system, shall enter into a written agreement with the board. The agreement must specify mutual responsibilities for integrated noxious weed management on state-owned or state-controlled land within the district. The agreement must include the following:

(a) a 6-year integrated noxious weed management plan, which must be updated

biennially;

(b) a noxious weed management goals statement;

(c) a specific plan of operations for the biennium, including a budget to implement the plan; and

(d) a provision requiring a biennial performance report by the board to the state weed coordinator in the department of agriculture, on a form to be provided by the state

weed coordinator, regarding the success of the plan.

(2) The board and the governing body of each incorporated municipality within the district shall enter into a written agreement and shall cooperatively plan for the management of noxious weeds within the boundaries of the municipality. The board may implement management procedures described in the plan within the boundaries of the municipality for noxious weeds only. Control of nuisance weeds within the municipality remains the responsibility of the governing body of the municipality, as specified in 7-22-4101.

(3) A board may develop and carry out its noxious weed management program in cooperation with boards of other districts, with state and federal governments and their agencies, or with any person within the district. The board may enter into cooperative

agreements with any of these parties.

(4) Each agency or entity listed in subsection (1) shall submit a statement or summary of all noxious weed actions that are subject to the agreement required under subsection (1) to the state weed coordinator and shall post a copy of the statement or summary on the state bulletin board.

1997 - Increased funding for Future Fisheries Act

The department proposed cutting funding for Future Fisheries from 1.5 million/biennium to 1.0 million. It was restored to 1.25 million by amendment and fighting the department.

1997 - Island Parks Act

77-1-405. Island parks established -- development limited. (1) In order to retain the integrity of the recreational experience associated with Montana's river and lake islands, development of undisputed state-owned or state-leased island property, which is hereby designated as island parks, including islands designated as state property under 70-18-203, lying within and surrounded by a navigable river, stream, or lake is limited, after April 30, 1997, to:

(a) the installation of minimal signage indicating that the island is a designated island park in which development has been limited and encouraging the public to help in

maintaining the island park's primitive character by packing out trash;

(b) necessary latrine facilities if approved by the fish, wildlife, and parks commission;

(c) footings or pilings necessary for the construction of a bridge; and

(d) oil and gas leasing.

(2) Improvements made to and agricultural operations on state-owned or state-leased island property prior to April 30, 1997, may be maintained or continued, but further development is limited as provided in this section.

(3) Notwithstanding the provisions of 77-1-203 regarding multiple-use management, the legislature finds that the highest and best use of island property administered as school trust land, except islands designated as natural areas pursuant to Title 76, chapter 12, is for recreation and grazing and that those islands should be left in as primitive state as possible to protect from the loss of potential future revenue that could result from the failure to leave the islands in an undeveloped condition.

(4) For purposes of this section, state ownership or state lease of island property is disputed if the dispute arises before, on, or after April 30, 1997.



Bud Lilly P.O. Box 983 16 West Birch Three Forks, MO 59752 Nathaniel Pryor Reed Post Office Box 1213 Hobe Sound, Florida 33475

Nathaniel Pryor Reed

December 28, 1999

Bud Lilly P.O. Box 983 16 West Birch Three Forks, MO 59752

Dear Bud,

I will always remember you with keen appreciation as one of the greatest fishing guides ever and a gentleman on top of the profession.

Jack Anderson made an enormous impression on me. He challenged me to make decisions that I have never regretted making. The only lasting disappointment is the fact that the Craighead brothers will not admit that they could be wrong despite the fact that the grizzly bear is making a comeback that is truly remarkable. Their bitterness toward Jack's decision to close the garbage dumps and end their unsupervised studies within the park has festered for these many years. I suspect age and alcohol have something to do with their resentment on being proven wrong! I will never forget the print out of a drawing showing the last grizzly bear becoming extinction in 1982! Charlie Loveless stated: "Frank, when you put garbage into a computer, you get garbage as an end product!" I thought Starker Leopold was going to bust his gut laughing so hard!

I am concerned about the long-term impacts that whirling disease will have on the cutthroat trout populations within Yellowstone.

Bud, I am coming out for the Yellowstone Foundation meeting on May 19th. I am "free" May 21st after I have visited the northern range and seen some wolves. I could spend the nights of May 21, 22 and 23 with you. Obviously, I would want to fish every minute that I am free. The last two years I have fished the spring creeks in the Livingstone area, but the weed had not developed and it was quite boring to fish over spawned out rainbows that had no cover.

I would like to try to find some sport in your area. I promised Craig Matthews' who is serving on the Foundation board that I would fish a day with him. I would really enjoy a day with you.

I can only hope the citizens of Montana care enough about the future of their wonderful state to vote for Hal. He seems to be the kind of man we so desperately need in the Rocky Mountain region.

Warmest best wishes,

Mailing Address: Post Office Box 1213, Hobe Sound, Florida 33475 Overnight Delivery: 11844 SE Dixie Highway #C, Hobe Sound, Florida 33455 Voice (561) 546-2666 ~ Fax (561) 546-5019 ~ E-mail: nat@flinet.com