



Natural Resources Interim Budget Committee

69th Montana Legislature

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September 16, 2025

Sonya Germann
State Director
Bureau of Land Management – Montana/Dakotas
5001 Southgate Drive
Billings, MT 59101

Also sent via e-mail to: sgermann@blm.gov

RE: Funding for Ongoing Reclamation and Water Treatment Activities at the Zortman-Landusky Mining Complex

Dear Ms. Germann:

The Natural Resource Interim Budget Committee (IBC) for the Montana Legislature is tasked with overseeing the budget activities across various state departments and agencies. The "Section C" IBC oversees the budget for the Montana Department of Environmental Quality (DEQ).

The ongoing water treatment at the Zortman-Landusky Mining Complex is critical to Montanans surrounding the mining complex. Without sound water treatment and corresponding stable funding, those in the area would be exposed to untreated acid rock drainage and the associated impacts. DEQ staff have regularly provided positive feedback on the cooperative combined work performed by DEQ and the Bureau of Land Management (BLM) in managing, strategizing, and coordinating on water treatment activities at the Zortman-Landusky Mining Complex. The IBC understands that DEQ and BLM memorialized their cooperative efforts at this site via a 2004 Memorandum of Understanding (MOU) and Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) action memo. IBC further understands that since that time, multiple Financial Assistance Agreements have been utilized by BLM to contribute funding toward DEQ contracts to operate and maintain multiple water capture and treatment systems at the mining complex.

The State of Montana has greatly valued this partnership with BLM, and the resulting reclamation and water treatment success is a direct result of this partnership. However, the ongoing variability and uncertainty of that funding is difficult for Montana policy makers to plan

around. As identified in the site capital improvements plan, water treatment facilities and equipment are at the end of their lifespans and in need of updates or replacement, further adding to funding needs and urgency. With the exhaustion of the Pegasus Bankruptcy Bond, the limited and decreasing Montana Metal Mines Taxes available for ongoing reclamation, and the real risk in needing to begin drawing down the principal of the long-term water trust fund established by the Montana Legislature, the time is imminent for securing predictable federal BLM contributions to the joint Montana and BLM long term efforts at the Zortman-Landusky Mining Complex.

The IBC urges BLM management to pursue options within its organization to secure a specific predictable long-term annual financial contribution (minimum base funding) towards the ongoing reclamation needs at Zortman-Landusky and/or additional contributions to the long-term trust fund. A specific, reliable, and predictable long-term funding commitment has not been available for these reclamation and water treatment activities and capital improvement needs to date. A predictable long-term annual contribution towards these activities would greatly assist Montana in planning to address the balance of site annual costs and capital improvement needs. Other additional contributions, beyond a predictable annual contribution, would certainly continue to be welcome and meaningful to reclamation and Montana's financial stability.

Thanks again for your support of the ongoing reclamation and water treatment activities at the Zortman-Landusky Mining Complex.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry Schillinger". The signature is fluid and cursive, with the first name "Jerry" being more prominent than the last name "Schillinger".

Jerry Schillinger

Chair, Interim Budget Committee – Section C, Montana Legislature

Email: jerry.schillinger@leg.mt.gov