

**REVISED - MINUTES
CITY OF LAUREL
CITY COUNCIL WORKSHOP
TUESDAY, JANUARY 20, 2026**

A Council Workshop was held in Council Chambers and called to order by Mayor Dave Waggoner at 6:29 p.m. on January 20, 2026.

COUNCIL MEMBERS PRESENT:

☒ Tom Canape	☒ Sara Naylor
☒ Brent Edmond	☒ Jessica Banks
☒ Casey Wheeler (@ 6:31 p.m.)	☒ Irv Wilke
☒ Richard Klose	☒ Jodi Mackay

OTHERS PRESENT:

Brittney Harakal, Administrative Assistant
Kurt Markegard, CAO
Matt Wheeler, Public Works Director
Dan Villa, Montana Board of Investments Director
Vince Ricci, Senator
Lee Deming, Representative

Public Input:

Clair Anderson, a student at Laurel Middle School, briefly shared about her Benjamin Project. She received \$100 in seed money and used it to purchase an iPad Air, a case, and a pencil for a fundraiser for the new ambulance. Tickets are \$5 each. She attends basketball games and has a booth set up at the middle school. If anyone comments on the post she shared on Facebook, they will reach out to them to get a ticket.

Dan Villa, Montana Board of Investments Director, read the attached announcement.

Kyle Farley, 1001 S. Douglas Hwy, Cheyenne, Wyoming, submitted a statement, which was read to Council; see attached.

General Items

1. Appointment of Joe Hozwarth to the Tree/Park Board for the remainder of a four-year term ending December 31, 2028.

The CAO briefly went over Mr. Holzwarth's credentials and why he would be an excellent member of this Board. Mr. Holzwarth currently works for DNRC and oversees forestry in the surrounding area. He brings a wealth of knowledge.

Executive Review

2. **Mayor:** Resolution - A Resolution Of The City Council Authorizing The Removal Of City Council Member Heidi Sparks From All City Accounts, Adding City Council President Thomas J. Canape, And Adding Chief Administrative Officer Kurt Markegard To All Such Accounts.

There was no discussion on the item.

2. **Planning:** Resolution - A Resolution Of The City Council Of The City Of Laurel, Montana Approving Agreement Between Peaks Planning And Consulting, LLC And The City Of Laurel Related To On-Call Planning Services.

This contract is for a few months until the City can put out an RFP for Planning Services. The City will go out to separate Planning and Engineering Services. This contract will provide services for subdivisions and annexation. There is a lot of work behind these types of requests.

It was questioned if this is budgeted for. It was clarified that planning services were budgeted.

Council Issues

3. **Public Works:** Discussion - CHS Stormwater

Travis Jones, KLJ, briefly went over the attached documents.

The goal is that the City and CHS can apply for grant funding to build this project. The City and CHS will need to enter into an MOU to move forward with applying for grant funding. The grant is due in March.

Currently, during a storm event, water first fills the retention pond and then crosses under the interstate onto CHS's property via an undersized culvert. Stormwater leaving CHS's property needs to be monitored for petroleum products. This will not be on next week's meeting agenda, but it will eventually come down the pipeline.

It was questioned if there would be any issues with this proposed plan with DEQ. It was clarified that this outlet into the river is below the City's intake, so there should not be concerns.

5. **Public Works:** Discussion - Old Rod & Gun Club Building Feasibility.

The Tree/Park Board would like to see this building used if it is feasible to restore it. There is a proposal to clean up the building so the BB Gun and Archery Shooting kids can use it. The Laurel Rod and Gun Club also needs to remove some of its items from the building as well. It is known that there are issues with the sewage system; it has not been tested, so it is unknown what issues actually exist. The septic system can be repaired, not replaced, according to Riverstone Health.

The BB Gun Club used to use the Lions Club building; they have reported finding damage from BB guns; however, it is unknown whether that damage is new or occurred long ago. The BB Gun

Club does use proper drop clothes to protect against damage. However, it was noted that the Rod and Gun Club building has significantly more glass, and a broken window could occur.

Council asked whether Public Works could inspect the building and note anything that needs to be addressed. They also asked if Public Works could run water through the septic system to see what happens. It was noted that water and power can be restored to the building. Public Works could attempt to fill the septic tanks with water to see what occurs.

The City will need to obtain a cost estimate and an appraisal to further evaluate the feasibility of restoring this building. Then, during budget discussions this summer, the Council can decide whether they would like to embark on restoring the building. There may be grants available as the building is listed as a historic building.

Other Items

Resolution - Sort the term contract for Engineering services.

It is important to have someone on Staff. A subdivision is currently being developed and will need to be signed off by the City's engineer. This contract is in effect until the end of April, after the City is able to go out for an RFP.

Attendance at Upcoming Council Meeting

Council Member Naylor will not be in attendance at next week's meeting; all others will be present.

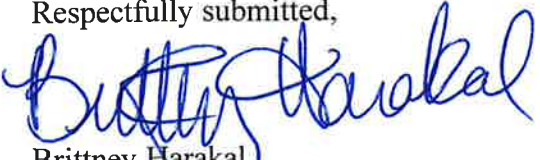
Announcements

Council Member Mackay offered to help anyone who needs to get in contact with Clair about raffle tickets; she can assist.

There will be a Local Government Center training in Billings on February 10th. This is a Council meeting. Council can choose to move its meeting, send only new members, or request Laurel-specific training. Council requested its own training so that all Council Members can attend.

The council workshop adjourned at 7:31 p.m.

Respectfully submitted,



Brittney Harakal
Administrative Assistant

NOTE: This meeting is open to the public. This meeting is for information and discussion of the Council for the listed workshop agenda items.

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MONTANA

BOARD OF INVESTMENTS

Comments to Laurel City Council January 20, 2026

From Executive Director Villa:

Mr. Mayor and Members of the Council, thank you for the opportunity to address you this evening.

As previously promised, I committed that the Laurel City Council would be the first to know of any actions regarding the development of the behavioral health facility authorized by the 2025 Legislature in House Bill 5, Section 17. I'm here tonight to fulfill that commitment.

The Montana Board of Investments has executed a buy/sell agreement to purchase approximately 114 acres located west of Laurel along Highway 10. With this agreement in place, BOI will now begin the formal process of requesting annexation and assignment of zoning from the City of Laurel.

A map indicating the specific location has been sent to Ms. Strecker for your records and information. I'm also including the plan submitted by Department of Public Health and Human Services Director Charles Brereton and myself that was approved by the State Budget Director on November 28, which does, in fact, include a draft floor plan.

I am concurrently informing local legislators to ensure they remain fully apprised as the project advances. BOI and all our partners look forward to working closely with city staff, elected officials, and community members throughout this process.

Thank you for your time this evening. I look forward to meeting you in person in the coming weeks.





DEPARTMENT OF
**PUBLIC HEALTH &
HUMAN SERVICES**

MONTANA
BOARD OF INVESTMENTS

November 26, 2025

Ryan Osmundson
State Budget Director
Office of Budget and Program Planning
PO Box 200802
Helena, MT 59620-0802

Director Osmundson,

Pursuant to HB 5, please accept the following as the proposed plan for the construction of a new behavioral health facility for the Department of Public Health and Human Services (DPHHS). The statute reads as follows:

Section 17. Transfer of funds – plan and reporting. (1) By June 30, 2026, the state treasurer shall transfer \$26.5 million from the capital developments long-range building program account established in 17-7209 to the board of investments for the purposes of building a behavioral health facility.

(2) Prior to the transfer in subsection (1) taking place, the budget director shall adopt a plan from the board of investments and the department of public health and human services on the facility type and location. The board of investments and the department of public health and human services shall report to the health and human services interim budget committee established in 5-12-501 on the progress of choosing the facility type and location. Once a plan is adopted by the budget director, the board of investments and the department of public health and human services shall provide a progress report at each subsequent meeting of the health and human services interim budget committee and each subsequent meeting of the long-range planning budget committee that are held prior to December 31, 2026.

(3) Any unspent funds must revert to the capital developments long-range building program account.

Facility Type and Location

As demonstrated in the enclosed analysis, DPHHS seeks to construct and operationalize a 32-bed forensic mental health facility. The facility would be designed with scalability in mind should the agency determine a need to leverage beds for the civil population in the future. From our perspective, it is most appropriate to "build up" to forensic facility

standards and be able to scale down as deemed necessary. As many Montanans know, DPHHS has experienced surging demand for forensic psychiatric services over the past several years, resulting in a problematic statewide waitlist that adversely impacts local communities. While DPHHS has taken a variety of steps to try to address this issue operationally, its bed capacity remains severely limited, and the agency believes that the funds granted to us by the Legislature must be prioritized for the forensic population.

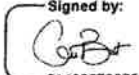
The Board of Investments (BOI) will oversee construction of the facility using its established real estate development process, which has successfully delivered, owned, leased, and managed income distribution from directly held real estate securities for over 40 years. BOI and its contractors will obtain all required permits, annexations, zoning, and other local approvals in full compliance with applicable ordinances and resolutions. Upon completion of construction, DPHHS will enter into a lease agreement with BOI for a minimum term of 20 years.

DPHHS has selected Laurel, Montana as the location for the facility. Laurel provides access to a critical health care workforce and infrastructure necessary to ensure the facility's success. Laurel's geographic location is ideally situated for improving access and transportation logistics for patients and their families, staff, and law enforcement across central and eastern Montana.

As you know, the Legislature allocated \$26.5 million for this project to BOI, pending your approval. However, it is anticipated that these funds may be insufficient to construct a "hardened" facility designed to safely and securely serve a forensic population. Once BOI can more precisely determine the total project costs, DPHHS is prepared to allocate additional funding from the remaining Behavioral Health Systems for Future Generations (BHSFG) state special revenue capital account balance, which currently holds an available balance of \$41,970,000, to address any amount exceeding the HB 5 transfer. The Office of Budget and Program Planning (OBPP), as the statutory approving authority, will be consulted throughout this process.

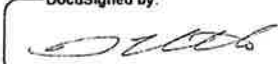
DPHHS and BOI have worked in strong partnership for several months. Specialized consultants have been engaged to support facility research and design, as well as the development of an effective program structure. With your approval, work can begin immediately to continue strengthening Montana's behavioral health system.

Thank you for your timely attention to this urgent matter.

Signed by:

61408679875F473...
Charles I. Brereton

Director

Department of Public Health and Human Services

DocuSigned by:

21DF48F786AE4F4...
Dan Villa

Executive Director

Montana Board of Investments

Attachments:

1. "Building a Foundation for Future Generations: Montana's New Behavioral Health Facility"
2. "Frequently Asked Questions: Montana's New Behavioral Health Facility"
3. "Securities Classification of the Construction of Behavioral Health Unit Pursuant to Section 17 of House Bill 5 from the 2025 Legislative Session"
4. Letter from the City of Laurel, MT
5. Draft Floor Plan



October 6, 2025

Dan Villa
Executive Director
Montana Board of Investments
2401 Colonial Drive, 3rd Floor
PO Box 200126
Helena, MT 59620-0126

Executive Director Villa,

I write regarding the following language from House Bill 5, passed by the 2025 Montana Legislature and signed into law by Governor Gianforte on June 19, 2025:

Section 17. Transfer of funds -- plan and reporting. (1) By June 30, 2026, the state treasurer shall transfer \$26.5 million from the capital developments long-range building program account established in 17-7209 to the board of investments for the purposes of building a behavioral health facility.

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(3) Any unspent funds must revert to the capital developments long-range building program account.

Pursuant to these statutory requirements, the Department of Public Health and Human Services (DPHHS) looks forward to continuing our collaboration with the Board of Investments (BOI) to build a much-needed behavioral health facility for Montanans. As we enter the next phase of this critical project, I am providing you with the following guidance concerning DPHHS's preferred location for the facility, as well as the type and purpose of the facility that we believe should be built based on our observed demand for state psychiatric services.

Site Location

While DPHHS remains interested in site opportunities in Yellowstone County, it is important that all Eastern Montana communities equipped with adequate infrastructure and a potential workforce are afforded the opportunity to submit proposals for hosting our new facility. As

we've agreed, a Due Diligence Questionnaire process would help solicit input from all communities in Eastern Montana, and the Department authorizes BOI to proceed on our behalf with that process. In light of anticipated future demand for state psychiatric services, communities and stakeholders should be aware that any site selected must allow for potential expansion in future years. Working together, I am confident that both of our agencies will facilitate robust engagement with local stakeholders when appropriate and prior to final site selection.

Facility Type and Purpose

As demonstrated in the enclosed analysis, DPHHS seeks to construct and operationalize a 32-bed forensic mental health facility. The facility would be designed with scalability in mind should the agency determine a need to leverage beds for the civil population in the future. From our perspective, it is most appropriate to "build up" to forensic facility standards and be able to scale down as deemed necessary. As many Montanans know, DPHHS has experienced surging demand for forensic psychiatric services over the past several years, resulting in a problematic statewide waitlist that adversely impacts local communities. While we have taken a variety of steps to try to address this issue operationally, our bed capacity remains severely limited, and the agency believes that the funds granted to us by the Legislature must be prioritized for the forensic population.

I thank you and BOI for your partnership and support of our work on behalf of the Montanans we serve.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Brereton", with a large, stylized initial "C" and "B".

Charles T. Brereton
Director

Enclosure: Building a Foundation for Future Generations: Montana's New Behavioral Health Facility

BUILDING A FOUNDATION FOR FUTURE GENERATIONS: MONTANA'S NEW BEHAVIORAL HEALTH FACILITY

Prioritizing Forensic Capacity to Resolve a Systemic Bottleneck

October 2025



DEPARTMENT OF
**PUBLIC HEALTH &
HUMAN SERVICES**



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EXECUTIVE SUMMARY

Montana's behavioral health system is facing an ongoing and critical challenge: a growing forensic psychiatric population is overwhelming the state's limited capacity, resulting in delayed treatment and adjudication, as well as admission waitlists that adversely impact local detention facilities. In response to this issue, the Montana Department of Public Health and Human Services (DPHHS) seeks to prioritize the construction of a 32-bed forensic psychiatric facility in Eastern Montana. This expansion will address urgent legal, clinical, and operational needs while improving geographic equity and system efficiency. Importantly, the facility will be strategically designed to allow DPHHS to convert wings or pods for civil commitment use if demand shifts in the future.

BACKGROUND

DPHHS is responsible for providing inpatient psychiatric care to individuals who require involuntary treatment due to severe mental illness. These individuals fall into two primary categories: forensic and civil patients.

- **Forensic patients** are individuals who are involved in the criminal justice system. They may be:
 - Awaiting trial but in need of a mental health evaluation to determine if they are competent to stand trial.
 - Found Unfit to Proceed (UTP) and in need of inpatient restoration services.
 - Sentenced under Montana Code Annotated (MCA) 46-14-312, which mandates DPHHS to provide treatment for individuals found Guilty but Mentally Ill (GBMI) or Not Guilty by Reason of Mental Illness (NGMI).
- **Civil patients** are individuals who, due to a mental illness, pose a danger to themselves or others, and/or are unable to care for their basic needs. These individuals are typically admitted through civil commitment proceedings.

To meet the needs of both populations, the Gianforte administration has secured funding for renovations and expansions at Montana State Hospital (MSH), MSH Grasslands, and the Montana Mental Health Nursing Care Center (MMHNCC), which will increase total state psychiatric bed capacity to 307 beds, with a potential net increase of 40 beds.

In addition to funding provided to MSH during the 2025 Legislative Session, the Gianforte administration secured funding to reopen the D wing at MMHNCC. Reopening the D wing will add 24 civil beds to serve the geriatric psychiatric population, including some patients previously served on the Spratt Unit.

This ultimately maintains the existing number of civil beds in the civil care continuum.

Wing/Unit	Type	Current	Proposed	Difference
Alpha	Civil	31	41	10
Bravo	Civil	26	34	8
Echo	Civil	25	23	-2
Grasslands	Civil	0	20	20
Spratt	Civil	60	0	-60
MMHNCC-D-Wing	Civil	0	24	24
TOTAL		142	142	0
Delta	Forensic	31	41	10
Galen	Forensic	54	54	0
Group Homes	Forensic	40	40	0
Former Spratt	Forensic	0	30	30
TOTAL		125	165	40

SYSTEMS OF CARE

Forensic

At MSH, individuals involved in the criminal justice system may be admitted for forensic psychiatric evaluation or treatment. The typical process for a forensic patient includes the following steps:

1. **Fitness Evaluation/Court-Ordered Evaluation (COE)**

A court may order a mental health evaluation, frequently referred to as a COE, to determine whether a defendant is fit to proceed to trial. This is an initial "fitness" evaluation and is restricted to a diagnosis of the mental condition of the defendant, including opinions as to: a) whether the defendant suffers from a mental disorder and may require commitment or is seriously developmentally disabled, and b) if the defendant suffers from a mental disease or disorder or developmental disability, whether the defendant has the capacity to: i) understand the proceedings against the defendant, and ii) assist in the defendant's own defense.

- This evaluation can be conducted in the community through an investment made possible by the Behavioral Health System for Future Generations (BHSFG) Commission or may require inpatient admission to the Forensic Mental Health Facility (FMHF) in Galen.
- If the individual is found competent, they are returned to the county of origin to proceed with trial.

2. **Unfit to Proceed (UTP)**

If the initial fitness evaluation (COE) determines the individual is not fit to proceed to trial, they must be ordered to be admitted to the FMHF in Galen for inpatient restoration treatment.

- These individuals do not go to the Delta Unit at this stage.

3. **Non-Restorable Cases**

If the individual cannot be restored to fitness due to a persistent mental illness, their criminal case may be dismissed.

- They may then be ordered to be civilly involuntarily committed for ongoing treatment.

4. **Pre-Sentence Evaluation (PSE)**

In some cases, a PSE is ordered to determine whether the individual met the legal criteria for GBMI at the time of the offense as part of a sentencing proceeding.

5. **Sentenced Forensic Patients (GBMI)**

Individuals found "Guilty but Mentally Ill" are initially admitted to the FMHF in Galen and placed on a waitlist for transfer to the Delta Unit, which houses sentenced forensic patients.

- These patients progress through a Level 1–10 privilege system at MSH.
- Those reaching Level 6 or higher may be eligible for placement in on-campus group homes or, in the future, the converted Spratt Unit.

Civil

MSH also serves individuals who are civilly involuntarily committed. These are individuals who, due to a mental illness, are considered a danger to themselves or others, and/or are unable to meet their basic needs.

The typical process for a civil patient at MSH or MSH Grasslands is as follows:

1. **Admission through Civil Commitment**

A court orders the individual to receive inpatient psychiatric care based on clinical evidence of risk and/or inability to care for themselves.

2. **Evaluation and Stabilization**

Upon arrival, the patient is admitted to the admissions wing (Echo) at MSH, where they undergo evaluation and receive initial stabilization treatment.

3. **Discharge or Continued Treatment**

- If the patient stabilizes quickly, they may be discharged and returned to their home or community with appropriate supports.

- If further care is needed, the patient is transferred to a treatment wing (Alpha or Bravo) for continued therapy and rehabilitation, with the goal of eventual discharge.

Note: This is a simplified overview intended to illustrate the general continuum of care. Individual treatment plans and legal processes may vary based on clinical needs and statutory requirements.

WHY PRIORITIZE THE FORENSIC POPULATION VS. THE CIVIL POPULATION?

SYSTEM BOTTLENECK

The FMHF in Galen is currently the only facility in the state equipped to restore individuals who a court has determined are UTP. It also serves as the admission point for defendants sentenced as GBMI, and those committed to the custody of the director of DPHHS to be placed in an appropriate mental health facility for custody, care, and treatment after the court has determined they present a danger to themselves or others. This set of defendants, as distinguished from GBMI defendants, is referred to as NGMI patients.

Since 2022, the FMHF in Galen has consistently maintained a waitlist of over 70 patients, creating a significant bottleneck that affects:

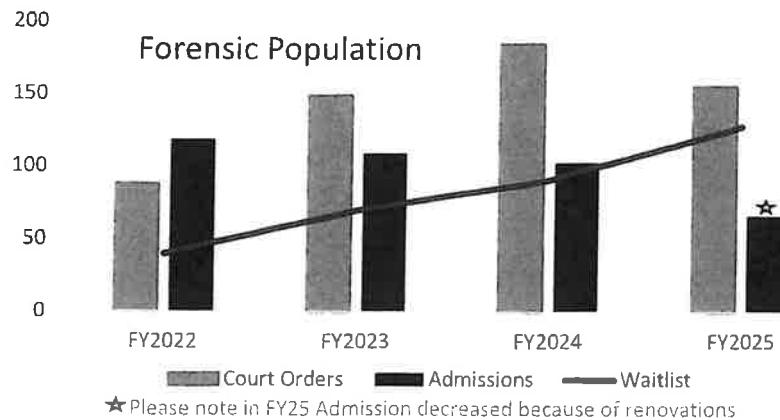
- County court proceedings
- Jail populations
- Local mental health systems

This backlog delays access to treatment, strains public safety systems, and increases the state's legal risk.

RAPID GROWTH IN FORENSIC DEMAND AND WAITLIST

Forensic court orders have surged 77% since FY 2022, with GBMI orders increasing 650%. In contrast, civil admissions have remained relatively stable, aided by the MSH Grasslands facility and other community-based supports. The forensic system, however, has no such relief valve, making the sought expansion urgent.

As noted above, Montana has experienced a sharp increase in forensic court orders over the past four years, which has consequently increased DPHHS's forensic waitlist. As the state's population grows, the number of individuals requiring forensic evaluation and treatment is expected to rise proportionally in accordance with national trends.



The following table reflects the court orders, by type, issued in each fiscal year.

TYPE	FY 2022	FY 2023	FY 2024	FY 2025	% Change FY 2022 to FY 2025	AAGR FY 2022- FY 2025
COE	55	93	81	67	21.80%	13.00%
UTP	23	42	52	43	86.90%	29.70%
PSE	6	7	13	20	333%	52.10%
GBMI	4	7	39	26	650%	166%
NGMI	0	0	0	0	N/A	N/A
TOTAL	88	149	185	156	77.20%	25.90%

Note: Not all COE orders result in admission to the FMHF in Galen. Some evaluations are being completed in the community through the aforementioned BHSFG initiative launched in 2024.

Forensic Waitlist Growth and Contributing Factors

The forensic waitlist for the FMHF in Galen has grown significantly in recent years; however, this growth is not a straightforward function of court orders minus admissions. The waitlist is shaped by a variety of operational and legal factors, including court orders from multiple fiscal years.

Why Waitlist Numbers Are Complex

Several factors contribute to the growing waitlist:



- **Community-Based Evaluations:** Some COEs and PSEs are completed by DPHHS-approved providers in the community, without requiring admission to the FMHF in Galen.
- **Dismissed Cases:** A defendant's case may be dismissed by a court due to a determination that a defendant cannot be made fit within the reasonably foreseeable future and that alternatives to forensic commitment are inappropriate, due to speedy trial violations, or due to other Constitutional considerations. This may remove the defendant from the system before admission, which is an outcome that DPHHS seeks to avoid through expanding forensic bed capacity.
- **Non-Court-Ordered/Emergency Admissions:** Some admissions are for patients who are held up to 72 hours in connection with an "emergency detention." An emergency detention is coordinated with a county attorney, the state hospital, and other mental health facilities for individuals who are experiencing acute crises, have rapidly decompensated, or require higher security, even if they are not tied to a court order.

The following table reflects the waitlist at the end of the fiscal year and the fiscal year in which the court order was initially issued.

FY	Waitlist	Year the Court Order was Issued				
		FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
2022	40	4	36			
2023	70		4	66		
2024	91		1	5	85	
2025	128*			1	26	101

**Note: FY 2025 totals were impacted by renovations and pod reconfigurations that temporarily reduced forensic admissions capacity.*

The waitlist is not just a backlog. It is a dynamic, multi-year accumulation of unmet forensic service needs. This underscores the importance of expanding capacity and building flexible infrastructure that can absorb fluctuations in demand and operational disruptions.

Conversely, DPHHS has not observed a corresponding rapid increase in the waitlist for the civil population. When operating at full capacity, MSH typically admits around 650 civil patients per year. While admissions declined in FY 2025 due to limited bed space associated with renovations required for CMS certification, by the end of FY 2025, only five individuals were on the civil waitlist, and they were ultimately cleared for admission.

While infrastructure upgrades have temporarily impacted civil admissions, the system is functioning effectively and has adapted through initiatives such as opening MSH Grasslands. This reinforces the need to prioritize forensic expansion, where the misalignment between demand and capacity is more acute.

OPERATIONAL CONSTRAINTS AT THE FMHF IN GALEN

Renovations, pod closures, and gender-based housing needs have further reduced forensic capacity. Internal transfers (e.g., from Delta Unit to Galen) consume bed space without reducing the waitlist, furthering the need for dedicated additional capacity.

The following table reflects the number of admissions and the fiscal year in which the known court order was issued.

FY	Number of Admissions	Year the Court Order was Issued					
		Unknown	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
2022	119	76	4	39			
2023	109	26		14	69		
2024	103			1	43	59	
2025	66*					47	19

Admissions Are Not Always Court-Driven

- Annual admissions include individuals with court orders from multiple fiscal years, not just the current one.
- Some admissions are not tied to new court orders. For example, patients from the Delta Unit may be temporarily transferred back to Galen if they decompensate and require a higher-security setting.

Gender-Based Pod Reconfiguration

The growth of Montana's forensic population is further complicated by the need to separate male and female patients, which is a requirement driven by both safety and clinical standards. Over the last five years, roughly 20% of forensic orders have been for female patients.

- The FMHF in Galen consists of two large pods and one small pod.
- This layout limits flexibility in managing gender-specific housing needs, especially when demand fluctuates.

To address a growing female waitlist, over the past four years, one pod has been converted from male to female housing twice. To safely complete the transition, overall male capacity is temporarily reduced, and new male admissions are paused, worsening one component of the statewide forensic waitlist.

LEGAL RISKS OF FORENSIC BED SHORTAGES

A shortage of forensic psychiatric beds poses **serious legal and constitutional risks** for the State of Montana and its counties. These risks stem from the inability to provide timely mental health treatment to individuals who are legally entitled to it.

Due Process Violations

- Defendants found incompetent to stand trial must receive treatment to restore their competency.
- Delays in admission can result in individuals spending more time in jail than they would have if convicted, violating their constitutional right to due process.
- Prolonged incarceration without treatment can lead to worsening mental health and increased suicide risk, potentially protracting treatment at the FMHF in Galen upon admission and worsening the existing bottleneck.

Risk of Federal Intervention and Litigation

- Other states, such as Washington, have faced class-action lawsuits and federal court oversight due to delays in forensic mental health services.
- Courts have required states to:
 - Expand forensic capacity
 - Improve access to treatment
 - Pay damages for constitutional violations

Montana's Current Exposure

While Montana has not yet faced federal intervention, Department leadership believes the risk is growing. The number of **court orders dismissed due to speedy trial violations** – a direct result of forensic bed shortages – demonstrates this legal vulnerability. In FY 2024 and 2025, the number of court orders dismissed totaled 12.

Why This Matters

- Forensic patients are often held in jails while awaiting admission, where they may not receive adequate psychiatric care.
- Delays in restoration can lead to constitutional violations, including speedy trial and due process concerns.
- Civil patients, while also in need, have more diversified treatment pathways (e.g., Grasslands, community-based services), whereas forensic patients rely most exclusively on the FMHF in Galen.

- Each dismissal represents a missed opportunity for treatment, a potential public safety concern, and a legal liability for the state.

ADDITIONAL RATIONALE

National and Regional Benchmarking

By early 2026, MSH is projected to operate with:

- 142 civil beds (including 24 at MMHNCC) – 13.10 civil beds per 100,000 residents
- 125 forensic beds (including those for sentenced patients) – 11.53 beds per 100,000 residents
- Total: 24.63 state psychiatric beds per 100,000 residents

National benchmarks recommend 20–40 state psychiatric beds per 100,000 population (TAC, KFF). Montana's current capacity places it at the lower end of the national benchmark for total civil and forensic beds. The Department's desired changes to system bed capacity, as described above, will ultimately increase state psychiatric beds to 339 in total, bringing Montana's per 100,000 rate to a midpoint of 31.27.

Note: Increase in capacity is a combination of changes referenced in the chart on page 4 and the proposed new forensic facility.

National Trends in Forensic Psychiatric Populations

Across the United States, states are experiencing a sustained surge in forensic psychiatric demand, particularly related to competency to stand trial evaluations and restorations.

Growth in Competency Cases

- From 1999 to 2014, there was a 76% increase in forensic patients in state hospitals.
- From 2017 to 2024, the number of individuals found incompetent to stand trial rose by 23%.
- National forensic waitlists have ballooned — from 883 in 2019 to approximately 2,400 by 2024 — leading to overcrowding in jails and emergency departments.

Other State Responses: Expanding Forensic Capacity

According to a July 2025 report by NRI, Inc., 11 states added over 1,300 forensic beds between 2022 and 2024, and an additional 317 beds were added in 2025 alone.



- Mississippi: Built an 83-bed maximum-security forensic unit, doubling capacity to 123 beds.
- Kansas: Constructed two new state psychiatric hospitals following a legal settlement.
- Pennsylvania: Built a 270-bed forensic facility at Norristown State Hospital.
- New York: Added 125 beds in four months, with 325 total added under the current governor's administration.

PROJECTED IMPACT OF THE 32-BED EXPANSION

- **DPHHS projects that adding 32 forensic beds would increase annual capacity to serve approximately 170 patients.**
- This represents a 60% increase in the availability of care, significantly reducing wait times and improving access to timely evaluation and restoration services.
- Montana's forensic system is under-resourced relative to national benchmarks and uniquely strained by legal sentencing practices.
- Expanding forensic capacity is a strategic, data-driven response to both current deficiencies and future needs.

WHY THE INTEREST IN EASTERN MONTANA?

Geographic Balance and Access

Because Eastern and Central Montana currently lack essential forensic infrastructure, counties are forced to transport patients long distances to the FMHF in Galen, which delays care and increases costs. Establishing a new facility in Eastern Montana would improve geographic balance.

Strategic Advantages

The proposed 32-bed forensic facility is being considered for Eastern Montana, a region with limited access to forensic psychiatric services and one that provides a growing share of the state's forensic admissions. This location is expected to:

- Improve geographic access for law enforcement, court systems, defendants, and families in Eastern and Central Montana.
- Reduce transportation burdens for counties that currently face long distances when transporting defendants to the FMHF in Galen.
- Support regional equity by expanding behavioral health infrastructure beyond the western corridor.

THE IMPORTANCE OF A FLEXIBLE DESIGN

The facility will be designed for medium- to low-security forensic care, which allows for conversion to civil use if future demand shifts and DPHHS determines a need to repurpose pods/units. Designing the new forensic facility with scalability and adaptability in mind offers significant long-term cost savings.

A modular layout and medium- to low-security infrastructure will allow the facility to be scaled up or down based on changing demand, whether that means expanding forensic capacity, converting pods/units for civil use, or adjusting gender-specific housing.

This flexibility reduces the need for costly new construction or major retrofits in the future. By investing in a facility that can evolve with Montana's behavioral health landscape, the state can maximize the return on capital investment, avoid duplication of infrastructure, and ensure that taxpayer dollars are used efficiently and effectively over time.

With the new facility, DPHHS will be better positioned to provide state psychiatric services regardless of what type of capacity (forensic or civil) is most strained in future years.

CONCLUSION

Montana's forensic psychiatric system is under significant and growing strain. Without immediate investment in expanded capacity, the state faces serious and far-reaching consequences not only for individuals with mental illness, but also for the legal system, public safety, and public finances.

County jails are increasingly housing individuals who require psychiatric care, not incarceration. These facilities are not equipped to provide appropriate treatment, leading to worsening symptoms, increased risk of self-harm, and potential violations of constitutional rights. Concurrently, the lack of available forensic beds has forced courts to dismiss charges or release individuals without treatment, contributing to a cycle of relapse, homelessness, and recidivism. These consequences often adversely impact the civil mental health system, which is not designed to manage forensic-level acuity.

The proposed 32-bed forensic facility in Eastern Montana offers a strategic, flexible, and future-ready solution. It will:

- Relieve pressure on local governments and jails, as well as reduce legal exposure
- Improve access to timely, appropriate treatment
- Expand geographic equity in behavioral health services



- Increase forensic evaluation capacity by 60%
- Boost annual forensic care delivery from 106 to 170 patients (estimated)
- Provide long-term adaptability for DPHHS to shift between forensic and civil use as needed

By designing the facility with scalability in mind, Montana can avoid costly retrofits or duplicative construction in the future. This investment not only addresses today's most pressing behavioral health challenge, but it also builds a more resilient, efficient, and balanced system for the future.

Inaction carries a high cost. DPHHS's desired expansion of forensic beds is a fiscally responsible, legally sound, and clinically necessary way to continue building a stronger statewide behavioral health system for future generations.



Frequently Asked Questions (FAQs): Montana's New Behavioral Health Facility

1. What funding is the State of Montana using to build a new behavioral health facility?

House Bill 5, passed by the 2025 Montana Legislature and signed into law by Governor Gianforte on June 19, 2025, provides \$26.5 million to build a behavioral health facility. House Bill 5 requires the Department of Public Health and Human Services (DPHHS) and Board of Investments (BOI) to jointly develop a plan identifying the type and location of the facility.

2. What is the type and purpose of the facility?

Based on a statewide needs assessment, this facility will provide secure, therapeutic care for individuals with serious mental illness who are in the criminal justice system. These individuals may include:

- A person awaiting trial who needs a mental health evaluation to determine if they are mentally fit to stand trial.
- A person found Unfit to Proceed (UTP) who requires inpatient treatment to restore their competency.
- A person found Guilty but Mentally Ill (GBMI) or Not Guilty by Reason of Mental Illness (NGMI) who is court-ordered to receive treatment in a secure psychiatric facility.

3. Who is responsible for this facility?

The facility will be managed and operated by DPHHS.

Under Montana Code Annotated (MCA) Title 53, Chapter 21, DPHHS is legally responsible for providing inpatient psychiatric care to individuals who are either civilly committed or involved in the criminal justice system due to serious mental illness.

This new facility will be part of the state's broader behavioral health system and will be staffed, licensed, and overseen in accordance with state law and clinical best practices.

4. Why is the facility focused on mental health treatment for individuals who are involved in the criminal justice system?

Montana is experiencing a growing crisis in forensic psychiatric care and lacks sufficient capacity to meet demand. At the end of Fiscal Year 2025, 128 individuals were on the waitlist for admission to the existing Forensic Mental Health Facility in Galen, which is managed and operated by DPHHS.



Currently, this facility is the only facility in Montana that can serve this population, and the bed space is inadequate for current and projected demand.

Without timely access to treatment, individuals may be held in local jails for extended periods, which can worsen psychiatric symptoms and delay recovery.

This new facility will:

- Provide faster access to treatment, allowing for earlier patient stabilization, reducing the risk of harm to self or others.
- Help individuals regain competency and move through the legal system appropriately, reducing risks of recidivism, homelessness, or untreated mental illness.
- Create capacity for local jail, ensuring critical public safety resources are used effectively.

5. Why was Eastern Montana identified as the preferred location?

Eastern Montana was selected to improve geographic access to behavioral health services and reduce pressure on the existing DPHHS facility in Galen (Western Montana). A facility in Eastern Montana will:

- Reduce transportation burdens for counties in Eastern and Central Montana.
- Improve regional access for law enforcement, courts, and families.
- Expand necessary behavioral health infrastructure in an underserved part of the state.

6. Will the facility only serve forensic patients?

While the immediate need is to serve individuals in the criminal justice system who require psychiatric evaluation or treatment, the facility is being designed with flexibility and scalability in mind for future needs.

Its primary purpose is to address Montana's urgent shortage of forensic psychiatric beds. However, if future demand shifts, the facility can be adapted to serve civil patients.

By building a facility that can evolve with Montana's behavioral health needs, the state is making a smart, future-ready investment that avoids the cost of building new infrastructure down the road.



7. Can patients voluntarily leave this facility?

No. All individuals admitted to this type of facility are either court ordered or sentenced to DPHHS. The facility will operate under strict security and clinical protocols to ensure the safety of patients, staff, and the broader community.

8. What security measures are implemented at this type of facility?

As a forensic facility, security is significantly tighter than in traditional locked psychiatric units.

Security features include:

- 'Sally port' doors, which ensure one door is closed before the other opens to prevent patient elopement
- Double-layer security fences around all outdoor areas
- A central command station that operates facility access control and manages patient and staff movements
- 24/7 interior and exterior live video monitoring

No firearms are on-site, and staff are trained in de-escalation and safe behavioral management techniques.

9. What is the anticipated length of stay for patients, and what criteria are used to determine their readiness for release?

Based on the model of the existing Forensic Mental Health Facility in Galen, DPHHS anticipates that patients ordered by the court for evaluation and restoration will stay for approximately 3 to 6 months. Their release depends on their treatment progress and usually involves returning to a county jail or being transferred to the Montana State Hospital.

For patients placed in the care of DPHHS, the length of stay depends on their sentence and behavior. Patients who complete their sentence while at the facility will collaborate with DPHHS discharge planners to develop a plan for their return to the community with suitable follow-up care. Release is also coordinated with Probation and Parole.

10. Will individuals be released into communities after treatment?

No one will be released from the facility, and from incarceration, without a structured discharge plan.

All individuals treated at this facility will be either court-ordered or sentenced to DPHHS. Discharge planning is coordinated with the courts and appropriate agencies to ensure



that individuals return to their home jurisdictions or are transferred to appropriate settings such as the Montana State Hospital, supervised housing, community-based treatment, or another secure facility. Most evaluation patients will transfer back to the county detention facility from where they were originally transferred to await sentencing.

No one will be released without:

- A formal discharge plan
- Oversight or monitoring as required
- Coordination with local law enforcement, Probation and Parole, or behavioral health providers, when appropriate

It is important to note that DPHHS, in coordination with the judicial system, typically works to return individuals to their county of origin.

11. Who is responsible for the discharge planning?

DPHHS is ultimately responsible for the discharge planning of patients who have completed their sentence at the facility. Discharge planning is a dedicated function within the operations of the facility. It is carried out by trained staff who specialize in coordinating safe and appropriate transitions for individuals leaving care.

This process is done in close collaboration with:

- Medical and clinical professionals
- The court system
- Community-based providers
- Other relevant agencies (e.g., law enforcement, Probation and Parole, housing, or treatment programs)

Every discharge is guided by a structured plan that ensures individuals are placed in the right setting with the right supports whether that's returning to their home jurisdiction, entering a supervised program, or continuing care in another facility. Public safety and continuity of care are central to every decision.

12. What kind of staffing is required for a 32-bed forensic facility?

It is anticipated that 90-100 staff will be required to safely operate the facility across multiple shifts 24/7/365. The staffing model is based on best practices at the existing Forensic Mental Health Facility in Galen and will be largely comprised of clinical staff (RNs, LPNs, Psychiatric Technicians) as well as support staff. The staffing model will evolve as the facility design and operational models are finalized.



13. How is Montana addressing workforce challenges for this facility?

Montana is actively investing in workforce development strategies to ensure the facility is properly staffed. This includes training pipelines, recruitment incentives, and partnerships with educational institutions. Through the 406 Jobs Initiative, the Behavioral Health System for Future Generations Initiative, and the future Rural Health Transformation Program, the State is continuing to expand education, certification, and career advancement opportunities in critical behavioral health fields such as psychiatry, psychology, social work, and nursing.

14. How will the selected community be involved in the planning process for the facility?

Once a site and location for the facility is formally selected, there will be a series of local meetings to explain the process for designing, building, and operating the facility and gather feedback from community members and leaders.

15. What are the legal risks of not building this facility?

Montana and local jurisdictions are at risk of legal exposure if forensic capacity is not expanded. Delays in forensic psychiatric care can result in:

- Violations of constitutional rights, including due process and speedy trial protections
- Dismissed court cases due to prolonged detention without treatment
- Federal litigation or oversight, as seen in other states



Montana Legislative Services Division
Legal Services Office

PO BOX 201706
Helena, MT 59620-1706
(406) 444-3064
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To: Speaker Ler
From: Julie Johnson, Staff Attorney
Re: Securities Classification of the Construction of a Behavioral Health Unit Pursuant to
Section 17 of House Bill 5 from the 2025 Legislative Session
Date: October 1, 2025

I. Introduction and Issue

At the September meeting of the Legislative Finance Committee, legal staff was asked to work with Chair Kassmier to request an Attorney General Opinion on the following question of law:

Whether the behavioral health unit that the Legislature directed the Board of Investments to have constructed in House Bill 5 is a security under state and federal securities laws?

This memo provides basic research and points of law bearing upon the request. The memo also reaches a preliminary conclusion that the building would most likely constitute a security.

II. Factual Background

Article VIII, section 13, of the Montana Constitution mandates the creation of a "unified investment program for public funds." This unified investment program is overseen and managed by the Board of Investments. The total market value of the Montana Board of Investments' Unified Investment Program as of June 30, 2024, was \$29.6 billion.

Part of the board's investment portfolio includes real estate and buildings. The Board of Investments owns several buildings that it rents to state agencies or third parties as a part of its real estate investment portfolio. This includes the workforce housing apartments that the Board of Investments had built pursuant to House Bill 819 from the 2023 legislative session. These assets are included in common investment pools and are commingled with other participants' assets. These asset pools are managed by the staff at the Board of Investments with no individual participant control.

During the 2025 session, the Legislature passed House Bill 5, which provided for the construction of a behavioral health facility. See section 17 of HB 5. Specifically, the Legislature directed the transfer of \$26.5 million from the capital developments long-range building program account to the Board of Investments "for the purposes of building a behavioral health facility."¹ According to section 17(2) of HB 5, prior to the transfer of funds to the Board of Investments, the budget director "shall adopt a plan from the board of investments and the department of public health and human services on the facility type and location."

At its September 18, 2025, meeting, the Legislative Finance Committee discussed the

¹ Rent for the behavioral health facility may be eligible for federal reimbursement.

construction of the behavioral health facility and the committee members' understanding that the building constitutes a security under Montana law. Members want to make certain this understanding is correct. Therefore, given the importance of the facility's timely construction and the legislative directive to the Board of Investments to construct this facility instead of the Department of Administration Office of Architecture and Engineering, the Legislative Finance Committee has requested an Attorney General opinion on this question of law.

III. Applicable Law

A. Federal Law

In S.E.C. v. W.J. Howey Co., 328 U.S. 293, 66 S.Ct. 1100, 90 L.Ed. (1946), the United States Supreme Court set out what is now commonly referred to as the Howey test to determine whether an investment contract exists. The Supreme Court stated that the test to determine whether an investment contract exists "is whether the scheme involves an investment of money in a common enterprise with profits to come solely from the efforts of others." Howey, 328 U.S. at 301.

The Ninth Circuit Court of Appeals distilled the Howey definition into a three-part test, which requires the following:

- (1) an investment of money
- (2) in a common enterprise
- (3) with an expectation of profits produced by the efforts of others.

Warfield v. Alaniz, 569 F.3d 1015, 1020 (9th Cir. 2009). The Montana Supreme Court has also noted that "[t]he leading case for determining the existence of an investment contract security is S.E.C. v. W.J. Howey Co." and has similarly reiterated that the "established three criteria to the determination of an investment contract security" under Howey is: "an investment, a common enterprise, and the expectation of profits *solely* from the efforts of others." State v. Duncan, 181 Mont. 382, 390-91, 593 P.2d 1026, 1031-32 (1979) (Emphasis in original).

B. State Law

As discussed above, the three-part Howey test determines whether an investment contract exists. Under Montana law, an investment contract is a security pursuant to § 30-10-103(24)(xiii), MCA.

C. Law Governing the Board of Investments

The Board of Investments is charged with the creation of a "unified investment program for public funds" under Article VIII, section 13, of the Montana Constitution. §17-6-201, MCA,

provides that the Board of Investments must administer public funds "in accordance with the prudent expert principle," which requires the board to:

- (a) discharge the duties with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent person acting in a like capacity with the same resources and familiar with like matters exercises in the conduct of an enterprise of a like character with like aims;
- (b) diversify the holdings of each fund within the unified investment program to minimize the risk of loss and to maximize the rate of return unless, under the circumstances, it is clearly prudent not to do so; and
- (c) discharge the duties solely in the interest of and for the benefit of the funds forming the unified investment program.

§17-6-201(1), MCA (Emphasis added). The Board of Investments is charged with maximizing the rate of return on investments for the benefit of funds within the unified investment program. The board is also granted the power to execute conveyance deeds for real property and to direct the sale of securities. §17-6-201(6), MCA.

IV. Analysis

Because a security is defined as an investment contract under Montana law, the three-part Howey test applies.

1. Is there an investment of money? Yes, 26.5 million is to be invested in the construction of a behavioral health unit pursuant to section 17 of HB 5 (2025).
2. Is there a common enterprise? Most likely, yes. HB 5 does not explicitly provide that the building will be included in a common investment pool managed by the Board of Investments. However, it is reasonable to infer that the Legislature, by directing the board, instead of the Department of Administration Office of Architecture and Engineering, to construct the building, intended to have the building be included in the "unified investment program for public funds."
3. Is there an expectation of profits produced by the efforts of others? Most likely, yes. The Board of Investments charges rent to state agencies and third parties on buildings in its real estate portfolio. HB 5 does not explicitly provide that the board will charge rent on the new behavioral health facility. However, given the board's duty under §17-6-201, MCA, to maximize its rate of return and produce profits for its investors, it is reasonable to infer that the Legislature intended the board to charge whoever occupies the behavioral health facility a rent that yields a rate of return. It is possible that the building rent would be partially reimbursed with federal funds, which depends on the purpose of the facility. If the building rent is reimbursed with federal funds, it is not clear how the Board of Investments can maximize profits while adhering to strict policies for federal reimbursement.

V. Preliminary Conclusion

The three-part Howey test indicates that the behavioral health facility would most likely be considered a security under state and federal law. This conclusion is bolstered by the fact that the workforce housing project constructed by the Board of Investments pursuant to House Bill 219 in the 2023 session is included in the board's real estate portfolio that is in a common investment pool. Lastly, had the Legislature not intended the facility to be considered a security, it would have instead directed the Department of Administration Office of Architecture and Engineering to construct the facility, and not the Board of Investments.

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City Of Laurel

P.O. Box 10
Laurel, Montana 59044



Office of the CAO

November 17, 2025

Mr. Dan Villa
Executive Director
Board of Investments

I would like to explain why the City of Laurel did not nominate itself for the potential location for a new Forensic Mental Health Facility the State of Montana intends to build. Inside the city of Laurel limits there is no location that would be suitable for the facility and so therefore I cannot ask the Laurel City Council to consider applying.

Laurel's Mayor David Waggoner and I have described to you a location just outside Laurel's city limits that has most of the criteria that would make building the facility remarkably successful. The land has adjacent water and sewer lines that are currently being installed. The area also has natural gas, an electrical power line, cable tv, fire hydrants and I believe fiber optic lines. These necessary elements are crucial in providing all the needs a mental health facility development would need. This location would lower the initial cost to construct such a facility versus lands that do not have some or any of the infrastructure to build out such a facility.

As I stated, this location is just outside the city limits and therefore must go through the legal process to be considered for any city services. The City Council passed an annexation resolution in 2008 that set the criteria for receiving city services. To annex any property the City relies on Montana Code Annotated Title 7, Chapter 2, part 42 through 47. If the City of Laurel were to consider any type of annexation from parts 42 through 47, we would need to follow those Montana laws, and this includes the right for public participation and public hearing. Due to the requirements in City Council resolution R08-22, land outside city limits must be annexed to receive city services and this is why Laurel could not apply during the recent process for consideration for the state's facility.

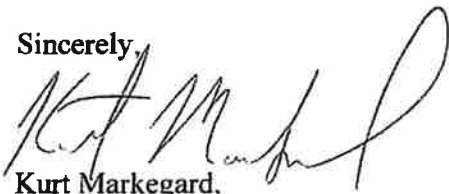
The process city staff has always followed with regards to annexation is a pre-application meeting with owners or potential owners of land to be considered for annexation. This meeting will discuss all the necessary steps Laurel will require and annexation requirements in Montana Code Annotated (MCA). MCA 7-2-44 is the process for annexation of contiguous government land if the state would like to consider the location just outside city limits. In the past, buy/sell agreements could be made until the public process has taken place and a favorable vote for annexation is complete by Laurel's City Council.

If the State is considering any City for the location of the Forensic Mental Health Facility, I would hope that those cities follow their ordinances and resolutions as I have advised our elected officials on following Laurel's ordinances and resolutions.

The right to have the public speak on the benefits or concerns they may have about any annexation or provision of local services is well documented in Laurel. I applaud the efforts to get community involvement in choosing the location for the facility, but I believe the process did not allow the location I pointed out to you during the summer tour to be nominated.

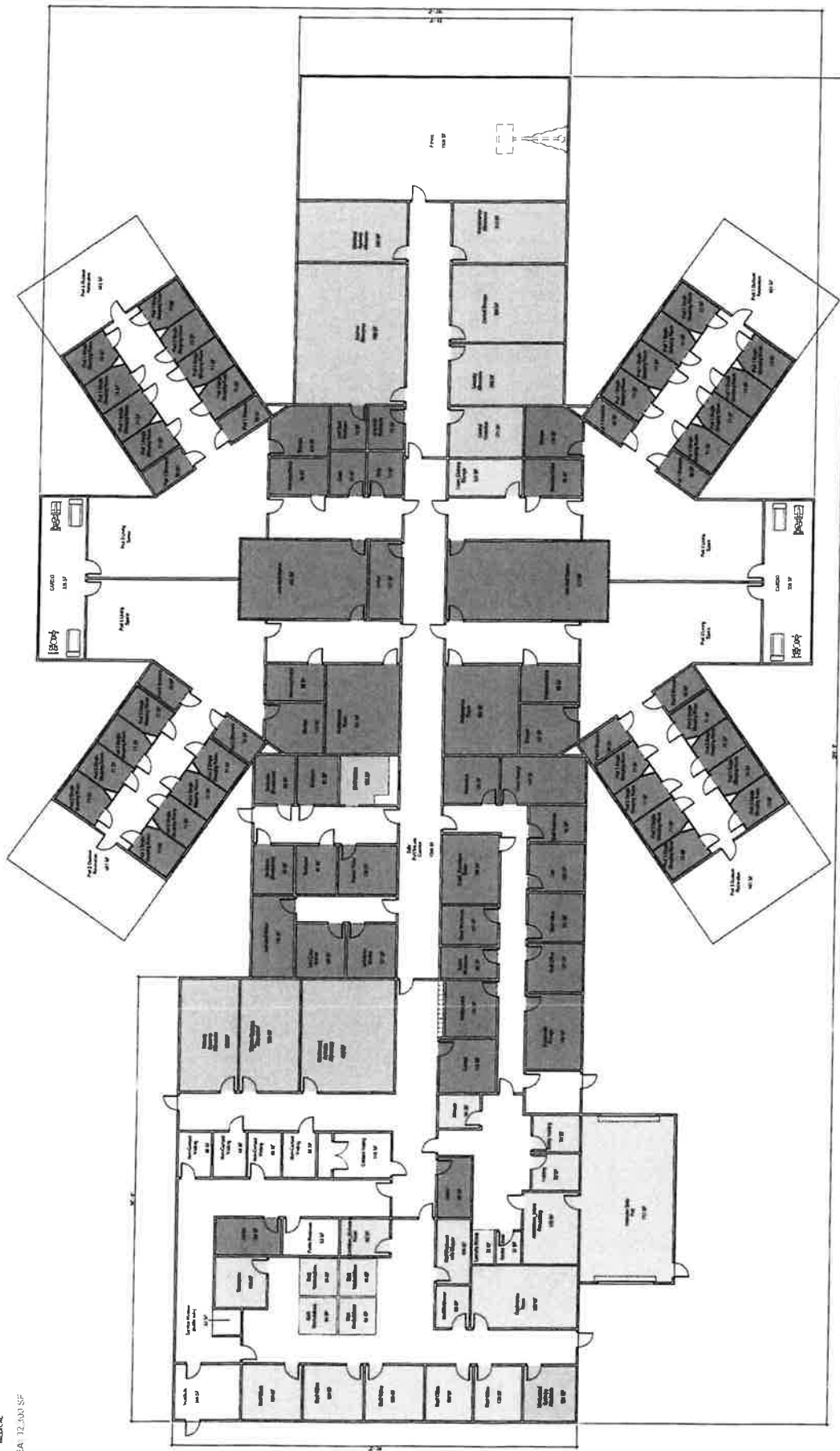
If anyone from the State would like to speak to Laurel's Mayor or city staff, I am sure that we could arrange a meeting to discuss this letter in more detail or what policies we have for the Laurel community.

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt Markegard", written over a horizontal line.

Kurt Markegard,
Chief Administrative Officer
City of Laurel

Cc. Mayor David Waggoner



HOUSING
 STAFF
 PUBLIC
 BUILDING SUPPORT
 ADMIN
 MEDICAL
 TOTAL AREA 12,500 SF

**Cushing
Terrell**

DLR GROUP

OVERALL PROGRAM PIECES - SINGLE STORY OPTION

Brittney Harakal

From: Laurel MT <laurel-mt@municodeweb.com>
Sent: Tuesday, January 20, 2026 11:33 AM
To: Brittney Harakal
Subject: Kyle Farley

Submitted on Tuesday, January 20, 2026 - 11:32am

Submitted by anonymous user: 136.226.126.105

Submitted values are:

Name Kyle Farley

Address 1001 S. Douglas Hwy, Suite 201

Public Comment Visionary Communications respectfully states its intent to initiate and negotiate a telecommunications franchise agreement with the Town of Laurel, Montana, in order to lawfully provide and expand telecommunications services within the Town's public rights-of-way. Visionary Communications is requesting that the proposed franchise agreement be scheduled for consideration on a first reading as early as February, subject to the Town's procedural requirements. Visionary Communications is committed to working collaboratively with Town staff, legal counsel, or other designated representatives to support the Town's review process, respond to informational needs, and facilitate timely consideration of the franchise agreement in a manner that aligns with municipal objectives and applicable law.

Email kfarley@visionarybroadband.com

The results of this submission may be viewed at:

<https://cityoflaurelmontana.com/node/16092/submission/3245>



Memorandum

Date: July 21, 2025
To: City of Laurel Public Works Board
Copy to: Justin Shovar / CHS
From: Travis Jones, KLJ
RE: City & CHS Stormwater Outfall / Conceptual Plan

Remarks

The intent of this memorandum is to summarize the proposed stormwater concept presented by CHS and KLJ Engineering at the July 21, 2025 City of Laurel Public Works Board meeting; and to request City adoption of a resolution to support design of improvements to remedy flooding issues in Laurel's southside neighborhood. Laurel's southside neighborhood generally refers to the area bound by South 8th Avenue (west), BNSF rail spur (east), I-90 (south) and West Railroad Street (north).

- **Background**

- Stormwater runoff from the City's southside neighborhood is currently captured and conveyed through the CHS refinery in a 24-inch culvert that passes under I-90 at the south end of South 1st Avenue.
- An additional 24-inch culvert crosses I-90 near the south end of Yellowstone Avenue.
- Both culverts are undersized and at too high of an elevation to effectively drain the area.
- Overflow from the culverts runs east along I-90 to the BNSF underpass, but not without causing flooding.
- The culvert outfall route through CHS is a maintenance and operational problem for CHS due to CHS having to manage runoff from the City. It is also an operational problem for the City due to restricted access across the refinery.
- In 2021, the City of Laurel commissioned The Southside Master Stormwater Plan, which included recommendations for improvements as follows:
 - Develop a storm sewer system in the Southside Neighborhood
 - Develop a stormwater detention areas in Russel Park
 - Pursue development of a new stormwater discharge route and outfall to replace the two inadequate 24-inch culverts under I-90.
- To date, the City has adopted the Southside Master Stormwater Plan, developed the proposed stormwater detention area in Russel Park and completed an initial phase of developing a storm sewer system within the Southside Neighborhood.
- Flooding and drainage issues persist following the initial phases of these improvements, primarily as a result of the proposed stormwater outfall improvements not yet being complete.



- **Concept Overview**

- CHS and KLJ have developed a concept plan to improve the stormwater outfall under I-90 and bypass round around the CHS refinery, summarized as follows:
 - Proposed culvert from Russell Park to a new outfall location.
 - Culvert size anticipated as 36" to 48". Final sizing to be confirmed during the design phase, to be refined with final design.
 - Proposed detention pond at the southeast side of the conceptual alignment to be finalized during the design with the location, size, and orientation subject to change.
 - The existing culverts under I-90 will be abandoned, which will eliminate the comingling of City and CHS stormwater.

- **Benefits to the City and CHS**

- Eliminates dependence on one another for maintenance of the I-90 culvert and downstream CHS stormwater system.
- Improved City access and control over downstream drainage facilities.
- Increases the stormwater capacity relative to the current conditions.
- Eliminates mixing of stormwater and potential regulatory impacts.
- With the proposed route, the City will have the opportunity to improve drainage along the alley at the south ends of both Woodland Avenue and Yellowstone Avenue.
- An additional detention pond will help City comply with future MS4 stormwater discharge permit requirements.

- **CHS Request**

- Concurrence on the proposed stormwater project with a recommendation to the City Council to support the project.
- Recommended Resolution: The Laurel Public Works Board recommends the City Council approve a resolution to support the commencement of the design phase of the proposed CHS/City stormwater project with the following conditions:
 - CHS will commission and pay for the engineering design efforts.
 - The design will consider and incorporate stormwater inlets at the south ends of Yellowstone Avenue and Woodland Avenue.
 - The City will coordinate with CHS to provide review and feedback of the engineering plans when requested by CHS.
 - The final design will include abandonment of the existing I-90 culverts.
 - Upon completion of the final design, the City and CHS will work together to develop a formal agreement addressing access, leading/responsible party, cost allocation/sharing, schedule, consultant/contractor procurement, and other relevant terms & conditions associated with the remaining the permitting, construction, ownership, and maintenance of the proposed facilities.

Please direct any outstanding questions to Justin Shovar, CHS Project Management Specialist at Justin.Shovar@chsinc.com and Travis Jones, KLJ Project Manager at travis.jones@klijeng.com .

LAUREL, MT
07-01-2025



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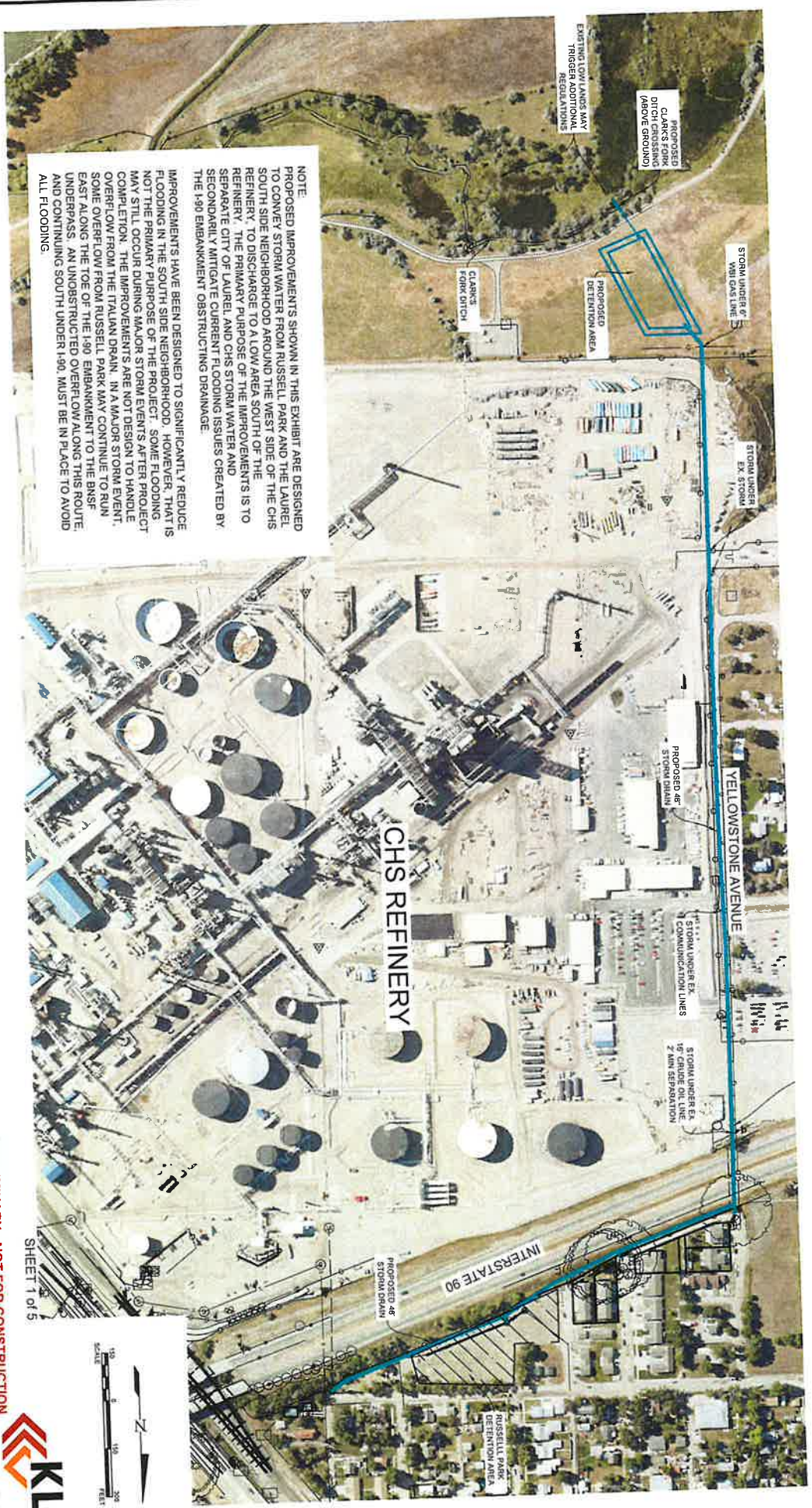
SHEET 3 of 3



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I-90 EMBANKMENT FLOODING MITIGATION LAUREL, MT 12/30/25



NOTE:
PROPOSED IMPROVEMENTS SHOWN IN THIS EXHIBIT ARE DESIGNED TO CONVEY STORM WATER FROM RUSSELL PARK AND THE LAUREL SOUTH SIDE NEIGHBORHOOD AROUND THE WEST SIDE OF THE CHS REFINERY TO DISCHARGE TO A LOW AREA SOUTH OF THE REFINERY. THE PRIMARY PURPOSE OF THE IMPROVEMENTS IS TO SEPARATE CITY OF LAUREL AND CHS STORM WATER AND SECONDARILY MITIGATE CURRENT FLOODING ISSUES CREATED BY THE I-90 EMBANKMENT OBSTRUCTING DRAINAGE.

IMPROVEMENTS HAVE BEEN DESIGNED TO SIGNIFICANTLY REDUCE FLOODING IN THE SOUTH SIDE NEIGHBORHOOD. HOWEVER, THAT IS NOT THE PRIMARY PURPOSE OF THE PROJECT. SOME FLOODING MAY STILL OCCUR DURING MAJOR STORM EVENTS AFTER PROJECT COMPLETION. THE IMPROVEMENTS ARE NOT DESIGNED TO HANDLE OVERFLOW FROM THE ITALIAN DRAIN. IN A MAJOR STORM EVENT, SOME OVERFLOW FROM RUSSELL PARK MAY CONTINUE TO RUN EAST ALONG THE TOE OF THE I-90 EMBANKMENT TO THE BNSF UNDERPASS. AN UNOBSTRUCTED OVERFLOW ALONG THIS ROUTE AND CONTINUING SOUTH UNDER I-90, MUST BE IN PLACE TO AVOID ALL FLOODING.

PRELIMINARY - NOT FOR CONSTRUCTION



SHEET 1 of 5

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LAUREL, MT
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LAUREL, MT

RUSSELL PART - CITY OF LAUREL
(STORMWATER DETENTION AREA)



LAUREL, MT
12/30/25

MANHOLE WITH
BEEHIVE INLET

EXISTING 24"
STORM DRAIN PIPE
AND INFILTRATION
TRENCH

EXISTING 24"
STORM DRAIN PIPE
TO BE ABANDONED

MANHOLE WITH
BEEHIVE INLET
TO REMAIN

EXISTING 18"
STORM DRAIN PIPE
TO REMAIN

22 LF 24" ST. DR. @ 2.31%

ST-1 (84")

5+86.54, 0.00
RIM 3293.70

48" INV IN 3287.01 (E)
24" INV IN 3288.50 (NW)

24" INV IN 3288.50 (NW)
48" INV OUT 3286.91 (SW)

10' ±

- 356 LF 48" ST. DR. @ 0.10%

06-1

ST-15 (72)

2+30.89, 0.0

RIM 3293.4
48" INV IN 3287.47 (E

48" INV OUT 3287.37 (M)

SHEET 4 of 5

PRELIMINARY - NOT FOR CONSTRUCTION

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I-90 EMBANKMENT FLOODING MITIGATION

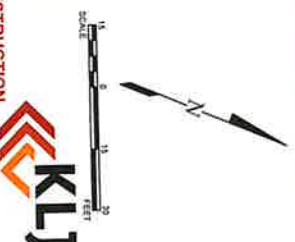
LAUREL, MT
12/30/25

RUSSELL PART - CITY OF LAUREL
(STORMWATER DETENTION AREA)



PRELIMINARY - NOT FOR CONSTRUCTION

SHEET 5 of 5



KLJ ENGINEERING LLC 2025

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