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STATE OF MONTANA
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Zink, Ed
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MONTANA THIRTEENTH JUDICIAL DISTRICT COURT
YELLOWSTONE COUNTY

LAUREL CARED, Plaintiff, vs. STATE OF MONTANA, Defendant.	Cause No.: DV-56-2026-0000855-DK Judge: Hon. Ed Zink **MONTANA BOARD OF INVESTMENTS ANSWER TO AMENDED COMPLAINT**

The Montana Board of Investments, appearing on behalf of and pursuant to authority delegated by the State of Montana, answers Plaintiff's Amended Complaint as follows:

1. Answering Paragraph 1 of Plaintiff's Amended Complaint, the Board of Investments admits that it purchased a 114-acre parcel of property for $ 4.25 million west of Laurel in Yellowstone County, Montana, upon which to construct a Forensic Mental Health Facility to be operated by the Montana Department of Public Health and Human Services. The Board of Investments further states that it cooperated with the Department of Public Health and Human Services in the conduct of an environmental assessment performed in compliance with the Montana Environmental Policy Act on the Forensic Mental Health Facility and that the public was provided the opportunity to participate in the process, including multiple public hearings and

comment periods, and that the Board of Investments considered substantive public comments and modified the environmental assessment as appropriate. The Board of Investments denies the remaining allegations in Paragraph 1 of Plaintiff's Amended Complaint.

2. The Board of Investments denies the allegations in Paragraph 2 of Plaintiff's Amended Complaint as stated. The Court preliminarily found that the First Environmental Assessment's conclusions regarding emergency services, alternative site locations, and public participation were adequately addressed. (Doc. 35 at 14-18). The Court further remanded the Final EA to the Board of Investments and Department of Public Health and Human Services for "additional investigation and explanation as to all water supply issues, including infrastructure and capacity and water availability to service the proposed Facility" (Doc. 35 at 23).

3. The Board of Investments denies the allegations in Paragraph 3 of Plaintiff's Amended Complaint and states that the Board of Investments considered the Forensic Mental Health Facility's impact on the human environment in compliance with the Montana Environmental Policy Act. The Board of Investments' and Department of Public Health and Human Services' analysis was comprehensive, reasoned, and predicated on substantial evidence. The Environmental Assessment analyzed, among other things, the affected environment, including water infrastructure, capacity, pressure, and availability, public health and safety, environmental consequences, and alternative Facility locations. The Agencies' conclusions were reasoned, rational, based on substantial evidence, based on Agency expertise, and based on expert engineering review.

4. The Board of Investments denies the allegations in Paragraph 4 of Plaintiff's Amended Complaint.

5. The Board of Investments denies the allegations in Paragraph 5 of Plaintiff's Amended Complaint.

6. The Board of Investments denies the allegations in Paragraph 6 of Plaintiff's Amended Complaint, and the Board of Investments states that its assessment of the Forensic Mental Health Facility incorporated significant public participation, including Board of Investments meetings that were open to the public and that permitted public comment, updates on the process provided to the Montana Legislature Children, Families, Health and Human Services Committee and to the Health and Human Services Interim Budget Committee, where public comment was permitted, discussions at the Billings City Council, Laurel School Board, and Yellowstone County Commission, all of which permitted public comment, information, including the environmental assessments, made publicly available at http://hb5.mt.gov, three public hearings (and contemporaneous public comment periods), one in Laurel on April 22, 2026 (one at 10:00 am and a second at 4:00 pm), one in Billings on June 2, 2026, and a third in Billings on September 8, 2026, the Board of Investments reviewed and considered all substantive public comment, which resulted in modifications to the analysis as appropriate.

7. The Board of Investments admits that a finding of no significant impact was issued and that an environmental impact statement was not required, as the Environmental Assessment demonstrated, after comprehensive and reasoned analysis, that the Proposed Action will not have significant adverse impacts on or to the environment, including the physical or human environment. The Board of Investments denies the remaining allegations in Paragraph 7 of Plaintiff's Amended Complaint.

8. The Board of Investments denies the allegations in Paragraph 8 of Plaintiff's Amended Complaint, including that Plaintiff is entitled to any relief. The Board of Investments complied with the Montana Environmental Policy Act.

JURISDICTION AND VENUE

9. Paragraph 9 of Plaintiff's Amended Complaint contains legal conclusions that do not require a response. To the extent a response may be required, the Board of Investments admits that Plaintiff brings claims pursuant to the Uniform Declaratory Judgements Act, Mont. Code Ann. §§ 27-8-201, 202, the Injunctive Relief Act, Mont. Code Ann. § 27-19-102, the Montana Environmental Policy Act, Mont. Code Ann. §§ 75-101, *et seq*., but the Board of Investments denies that Plaintiff is entitled to any relief pursuant to any of those Acts, including the Injunctive Relief Act, and the Board of Investments further states that Plaintiff's sole remedy, if any, is under the Montana Environmental Policy Act, Mont. Code Ann. § 75-1-201(5)(c)(i).

10. Paragraph 10 of Plaintiff's Amended Complaint contains legal conclusions that do not require a response. To the extent a response may be required, the Board of Investments admits that the Montana Environmental Policy Act controls Plaintiff's challenge to the Board of Investment's environmental review and that venue is appropriate in Yellowstone County, but the Board of Investments denies the remaining allegations in Paragraph 10.

PARTIES

11. The Board of Investments lacks sufficient knowledge to form a belief as to the truth of the allegations in Paragraph 11 of Plaintiff's Amended Complaint and therefore denies the allegations.

12. Paragraph 12 of Plaintiff's Amended Complaint contains legal conclusions that do not require a response. To the extent a response may be required, the Board of Investments denies that any violation of the Montana Environmental Policy Act occurred; denies that Plaintiff sustained any injury or harm, including any procedural injury or harm; denies that any action of the Board of Investments caused Plaintiff any injury or harm; and denies that any injury or harm is redressable or that Plaintiff is entitled to any remedy at law. The Board of Investments admits

that Plaintiff participated in the public participation process associated with the assessment of the Forensic Mental Health Facility by submitting oral and written comments on all versions of the environmental assessment, but the Board of Investments is at present without sufficient knowledge to form a belief as to whether Plaintiff preserved some or all of the issues it now raises and therefore denies the same. The Board of Investments denies the remaining allegations in Paragraph 12 of Plaintiff's Amended Complaint.

13. Answering Paragraph 13 of Plaintiff's Amended Complaint, the Board of Investments admits that it is a government entity subject to suit for injuries to persons and that it, in cooperation with the Department of Public Health and Human Services, participated in and approved actions challenged by Plaintiff. The Board of Investments denies that it is liable for any injury to Plaintiff and, to the extent Plaintiff alleges personal liability, the Board of Investments denies that any officer, board member, employee, or agent of the State is or may be personally liable. The Board of Investments denies the remaining allegations in Paragraph 13.

LEGAL BACKGROUND

I. MEPA

14. To the extent Paragraph 14 of Plaintiff's Amended Complaint contains accurate restatements of the Montana Environmental Policy Act, the Montana Board of Investments admits the allegations. The Board of Investments denies any characterization or inference inconsistent with the Montana Environmental Policy Act.

15. To the extent Paragraph 15 of Plaintiff's Amended Complaint contains accurate restatements of the Montana Environmental Policy Act, the Montana Board of Investments admits the allegations. The Board of Investments denies any characterization or inference inconsistent with the Montana Environmental Policy Act.

16. To the extent Paragraph 16 of Plaintiff's Amended Complaint contains accurate restatements of the Montana Environmental Policy Act, the Montana Board of Investments admits the allegations. The Board of Investments denies any characterization or inference inconsistent with the Montana Environmental Policy Act.

17. Paragraph 17 of Plaintiff's Amended Complaint contains legal conclusions that do not require a response. To the extent a response may be required, the Montana Board of Investments states that the Montana Environmental Policy Act and associated rules speak for themselves and denies Plaintiff's allegations to the extent inconsistent with the Montana Environmental Policy Act or its associated rules.

18. Paragraph 18 of Plaintiff's Amended Complaint contains legal conclusions that do not require a response. To the extent a response may be required, the Montana Board of Investments states that the Montana Environmental Policy Act and associated rules speak for themselves and denies Plaintiff's allegations to the extent inconsistent with the Montana Environmental Policy Act or its associated rules.

19. Paragraph 19 of Plaintiff's Amended Complaint contains legal conclusions that do not require a response. To the extent a response may be required, the Montana Board of Investments states that the Montana Environmental Policy Act and associated rules speak for themselves and denies Plaintiff's allegations to the extent inconsistent with the Montana Environmental Policy Act or its associated rules.

20. To the extent Paragraph 20 of Plaintiff's Amended Complaint contains accurate restatements of the law, the Montana Board of Investments admits the allegations. The Board of Investments denies any characterization or inference inconsistent with the law.

21. To the extent Paragraph 21 of Plaintiff's Amended Complaint contains accurate restatements of the Montana Environmental Policy Act and its associated rules, the Montana Board

of Investments admits the allegations. The Board of Investments denies any characterization or inference inconsistent with the Montana Environmental Policy Act or associated rules.

22. To the extent Paragraph 22 of Plaintiff's Amended Complaint contains accurate restatements of the law, the Montana Board of Investments admits the allegations. The Board of Investments denies any characterization or inference inconsistent with the law.

23. To the extent Paragraph 23 of Plaintiff's Amended Complaint contains accurate restatements of the Montana Environmental Policy Act and its associated rules, the Montana Board of Investments admits the allegations. The Board of Investments denies any characterization or inference inconsistent with the Montana Environmental Policy Act or associated rules.

24. To the extent Paragraph 24 of Plaintiff's Amended Complaint contains accurate restatements of the law, the Montana Board of Investments admits the allegations. The Board of Investments denies any characterization or inference inconsistent with the law.

II. SITE SELECTION OF THE FORENSIC MENTAL HEALTH FACILITY

25. Answering Paragraph 25 of Plaintiff's Amended Complaint, the Montana Board of Investments admits that, on June 19, 2025, Governor Greg Gianforte signed House Bill 5, which provided that by June 30, 2026, the State treasurer shall transfer $26.5 million from the capital developments long-range building program account to the Montana Board of Investments for the purposes of building a behavioral health facility and directing the Board of Investments and Department of Public Health and Human Services to develop a plan on the facility type and location.

26. Answering Paragraph 26 of Plaintiff's Amended Complaint, the Montana Board of Investments admits that on July 24, 2025, the Board of Investments conducted site tours of approximately five locations in Billings and Laurel with local officials from Yellowstone County, Billings City Council and staff, Laurel City Council and staff, as well as the State legislative

delegation. The Board of Investments admits that it was looking for properties of approximately 10 contiguous, developable acres with a strong preference for sites allowing for future expansion. Local officials were asked to review the sites and provide feedback to the State, including via an online comment form. The Board of Investments admits that Laurel Chief Administrative Officer Markegard mentioned land for sale along Old Highway 10 in Laurel that was recently listed for sale. The Board of Investments Executive Director, Dan Villa, with Laurel Chief Administrative Officer Markegard and several other public officials, identified the property online as located on West Main Street in Laurel and of approximately 10 acres, and Executive Director Villa later drove by the site.

27. Answering Paragraph 27 of Plaintiff's Amended Complaint, the Montana Board of Investments admits that, on August 20, 2025, Executive Director Dan Villa announced that the Board of Investments was pausing the project, that questions had arisen from the Governor's Office as to whether the forensic mental health facility constituted an investment security, and that it was to address these questions that the project was paused. The Board of Investments admits that it continued in August of 2025 prior to this pause to assess the viability of locations for the forensic mental health facility but denies that the non-viability of any locations was a cause for the project's pause. The Board of Investments denies the remaining allegations in Paragraph 27.

28. Answering Paragraph 28 of Plaintiff's Amended Complaint, the Montana Board of Investments admits that, on August 20, 2025, Laurel Chief Administrative Officer Markegard called Board of Investments Executive Director Villa for an update on the project and that the Old Highway 10 location was discussed.

29. Answering Paragraph 29 of Plaintiff's Amended Complaint, the Montana Board of Investments admits that, on August 22, 2025, Laurel Chief Administrative Officer Markegard emailed Board of Investments Executive Director Villa, Department of Public Health and Human

Services Director Charles Brereton, and Director of Budget and Program Planning Ryan Osmundson more details about the Old Highway 10 site, that Laurel Chief Administrative Officer Markegard stated that the site could utilize water and sewer infrastructure associated with the nearby Love's Travel Center development, and that Executive Director Villa responded that he would be in touch once the Board of Investments had more guidance on the project.

30. To the extent Paragraph 30 of Plaintiff's Amended Complaint contains accurate restatements of Governor Gianforte's September 10, 2025, Letter to the Montana Board of Investments, the Board of Investments admits the allegations. The Board of Investments further states that the Governor's Letter speaks for itself, and the Board of Investments denies any characterization or inference that might be drawn from Plaintiff's allegations.

31. To the extent Paragraph 31 of Plaintiff's Amended Complaint contains accurate restatements of Department of Public Health and Human Services Director Brereton's October 6, 2025, Letter to Montana Board of Investments Executive Director Villa, the Board of Investments admits the allegations. The Board of Investments further states that the Director's Letter speaks for itself, and the Board of Investments denies any characterization or inference that might be drawn from Plaintiff's allegations.

32. Answering Paragraph 32 of Plaintiff's Amended Complaint, the Montana Board of Investments admits that the Department of Public Health and Human Services announced that it would solicit proposals from Montana communities interested in hosting a new 32-bed forensic mental health facility and that the deadline for submitting proposals was November 10, 2025, at 5 p.m. The Board of Investments further states that the Board of Investments and Department of Public Health and Human Services agreed to use a Due Diligence Questionnaire, that the Due Diligence Questionnaire was posted online, along with a draft timeline and other facility information, at hb5.mt.gov, and that the process was designed to explore interest and expand

potential sites for the facility, and not limit potential sites for the facility to only those communities submitting a Due Diligence Questionnaire or otherwise alter the site selection criteria.

33. Answering Paragraph 33 of Plaintiff's Amended Complaint, the Board of Investments admits that only Big Horn County and Custer County responded to the Due Diligence Questionnaire, and that neither Yellowstone County nor the City of Laurel responded to the Due Diligence Questionnaire.

34. Answering Paragraph 34 of Plaintiff's Amended Complaint, the Montana Board of Investments admits that Board of Investments Executive Director Villa sent a text to Laurel Chief Administrative Officer Markegard on November 11, 2025, but that the text requested a letter describing why the City of Laurel did not respond to the Due Diligence Questionnaire. The Montana Board of Investments further admits that Executive Director Villa later texted Laurel Chief Administrative Officer Markegard at 1:20 p.m., but that the text read "I'll buy the beer if you send it this afternoon? 😜," referring to the letter, with the emoji being "a classic, playful face used for lighthearted jokes, jesting, or simply saying 'just kidding.'" The Montana Board of Investments denies the remaining allegations in Paragraph 34 of Plaintiff's Amended Complaint, including any characterization or inference that might be drawn from Plaintiff's allegations.

35. To the extent Paragraph 35 of Plaintiff's Amended Complaint contains accurate restatements of Laurel Chief Administrative Officer Markegard's November 17, 2025, Letter to Montana Board of Investments Executive Director Villa, the Board of Investments admits the allegations. The Board of Investments further states that Laurel Chief Administrative Officer Markegard's Letter speaks for itself, and the Board of Investments denies any characterization or inference, or any legal conclusion, to the extent a response is required, that might be drawn from Plaintiff's allegations.

36. Answering Paragraph 36 of Plaintiff's Amended Complaint, the Montana Board of Investments admits that on November 26, 2025, the Board of Investments and Department of Public Health and Human Services submitted a proposed plan to State Budget Director Ryan Osmundson addressing the facility type and location. The Board of Investments further admits that the Board of Investments would own the property and oversee construction of the facility using its established real estate development process, and that the Department of Public Health and Human Services would lease the facility from the Board of Investments. The Board of Investments further states that the plan speaks for itself, and the Board of Investments denies any characterization or inference that might be drawn from Plaintiff's allegations.

37. Answering Paragraph 37 of Plaintiff's Amended Complaint, the Montana Board of Investments admits that on November 28, 2025, the Department of Public Health and Human Services announced Laurel as the location of the new behavioral health facility and that the Department's announcement did not identify the specific site.

38. Answering Paragraph 38 of Plaintiff's Amended Complaint, the Montana Board of Investments admits that on December 9, 2025, Board of Investments and Department of Public Health and Human Services representatives spoke to the Laurel City Council and ensured that the Council would hear first about any buy-sell agreement, and that the Board of Investments would follow local regulatory processes that existed at the time.

39. Answering Paragraph 39 of Plaintiff's Amended Complaint, the Montana Board of Investments admits that it executed a Buy-Sell Agreement to potentially purchase three lots off of Old Highway 10 just outside the Laurel city limits in Yellowstone County totaling 114 acres for $4.25 million, but that the Buy-Sell Agreement was executed by Board of Investments Executive Director Villa on January 14 and by seller on January 15, 2026. The Board of Investments admits that it paid $42,500 in earnest, with the remaining balance due at closing. The Board of Investments

admits the closing date was established as July 13, 2026, but that the parties, by mutual agreement, could close the transaction anticipated by the Agreement at any time prior to the closing date specified. The Board of Investments admits the Buy-Sell Agreement specified the Board of Investments had the right to terminate the contract for any reason prior to July 1, 2026.

40. The Board of Investments admits the allegations in Paragraph 40 of Plaintiff's Amended Complaint

41. The Board of Investments admits the allegations in Paragraph 41 of Plaintiff's Amended Complaint.

42. Answering Paragraph 42 of Plaintiff's Amended Complaint, the Board of Investments denies that the Laurel Growth Management Policy identifies the parcel considered for the Facility. The Montana Board of Investments further states that the Laurel Growth Management Policy speaks for itself, and the Board of Investments denies any characterization or inference that might be drawn from Plaintiff's allegations.

43. Answering Paragraph 43 of Plaintiff's Amended Complaint, the Board of Investments admits that the parcel considered for the Facility is outside the City of Laurel city limits and is not annexed into the City of Laurel. The Board of Investments denies the remaining allegations in Paragraph 43.

44. Answering Paragraph 44 of Plaintiff's Amended Complaint, the Board of Investments admits that, on January 27, 2026, the Laurel City Council held a meeting where members of the public could and did comment on the Forensic Mental Health Facility and its potential location just west of Laurel in Yellowstone County, and that issues raised by the public included safety, property values, and local resources. The Board of Investments denies that there was any "backroom deal[]" associated with the selection of the location west of Laurel in Yellowstone County as the potential location for the Forensic Mental Health Facility. The Board

of Investments states that an essential component of the Forensic Mental Health Facility's need was the Facility's location, which had to provide geographic equity in the availability of forensic mental health care and the Facility had to be accessible to, and promote the growth of, the mental health care workforce. In evaluating alternative Facility locations to achieve equity and access, multiple criteria were considered (accessibility, transportation, and logistics; site configuration and suitability; utilities, public services, and infrastructure; fiduciary considerations; and permanent work force availability). The location west of Laurel in Yellowstone County most clearly satisfied the State's selection criteria, including relative to the other locations considered. The Montana Board of Investments denies the remaining allegations in Paragraph 44.

45. Answering Paragraph 45 of Plaintiff's Amended Complaint, the Board of Investments admits that, on January 27, 2026, the Laurel Public Schools Board of Trustees issued a press release wherein the Board of Trustees and Superintendent Matthew Torix "formally announce[d] their unified opposition to the State of Montana's proposed development of a Forensic Detention [sic] Facility within the Laurel Public School District." To the extent Paragraph 45 of Plaintiff's Amended Complaint contains accurate restatements of the press release, the Board of Investments admits the allegations. The Board of Investments further states that the press release speaks for itself, and the Board of Investments denies any characterization or inference that might be drawn from Plaintiff's allegations. The Board of Investments admits that it had not contacted the Board of Trustees about how the Forensic Mental Health Facility might impact the student body of Laurel schools, but states that it was contacted by the Board of Trustees' attorney on March 13, 2026, who further expressed the Board of Trustees' position on the Forensic Mental Health Facility.

46. Answering Paragraph 46 of the Plaintiff's Amended Complaint, the Montana Board of Investments admits that on March 3, 2026, Laurel City Council members communicated to

Governor Gianforte, Board of Investments Executive Director Villa, and Department of Public Health and Human Services Director Brereton. The Board of Investments states that the communication speaks for itself, and the Board of Investments denies any characterization or inference that might be drawn from Plaintiff's allegations. The Board of Investments admits that it did not respond directly to the communication.

47. Answering Paragraph 47 of Plaintiff's Amended Complaint, the Board of Investments admits that Board of Investments Executive Director Villa announced at the March 24, 2026, Laurel City Council meeting, and also that the Board of Investments noticed on March 24, 2026, an April 22, 2026, public hearing in Laurel on the Forensic Mental Health Facility. The Board of Investments denies that it requested a zoning change at the March 24, 2026, Laurel City Council meeting, stating it requested a governmental use designation, as reflected in Board of Investments Executive Director Villa's April 2, 2026, Letter to the Yellowstone County Planning Division Manager Anna Vickers.

48. The Board of Investments denies the allegations in Paragraph 48 of Plaintiff's Amended Complaint.

49. The Board of Investments lacks sufficient knowledge to form a belief as to the truth of the allegations in Paragraph 49 of Plaintiff's Amended Complaint and therefore denies the same.

50. Answering paragraph 50 of Plaintiff's Amended Complaint, the Board of Investments admits that, on April 20, 2026, Plaintiff requested continuance of the April 22, 2026, public hearing. The Montana Board of Investments denies the remaining allegations in Paragraph 50 of Plaintiff's Amended Complaint.

51. Answering Paragraph 51 of Plaintiff's Amended Complaint, the Board of Investments admits that the Preliminary Environmental Assessment released at 10:17 am on April 20, 2026, in advance of the April 22, 2026, public hearing was preliminary and contained

incomplete sections, but the Board of Investments states that it was continuing its assessment of the Facility at the time of the April 22 public hearing, that the purpose of the public hearing was to involve the public in identifying potentially significant issues, alternatives, or impacts of both doing and not doing the proposed Facility, and to consider the public's comments in its continuing assessment. The Board of Investments admits that the Water Resources section contained a placeholder paragraph and that water resources had not yet been confirmed, but that Paragraph did provide information on water resources, including that it was anticipated that the City of Laurel's municipal water and wastewater systems would serve as the service provider, and this was again noted in the Public Services and Long-Term Operational Impacts sections, and in the Forensic Mental Health Facility Update. The Board of Investments denies the remaining allegations in Paragraph 51.

52. Answering Paragraph 52 of Plaintiff's Amended Complaint, the Board of Investments admits that on April 22, 2026, public hearings on the Forensic Mental Health Facility were held in Laurel at the Laurel Public Library at 10:00 am and at 4:00 pm, and that Plaintiff and its members commented. The Board of Investments admits that the written public comment period was extended to May 6, 2026, and that Plaintiff and its members submitted written comments.

53. Answering Paragraph 53 of Plaintiff's Amended Complaint, the Board of Investments admits that a hyperlink was added on May 18, 2026, to the box listing the June 2, 2026, Public Hearing that linked to the current, updated environmental assessment and related documentation, and that the environmental assessment was entitled "State of Montana Final Environmental Assessment Proposed 32-Bed Forensic Mental Health Facility."

54. The Board of Investments denies the allegations in Paragraph 54 of Plaintiff's Amended Complaint.

55. The Board of Investments admits the allegations in Paragraph 55 of Plaintiff's Amended Complaint.

56. The Board of Investments admits the allegations in Paragraph 56 of Plaintiff's Amended Complaint.

57. Answering Paragraph 57 of Plaintiff's Amended Complaint, the Board of Investments admits that it closed on the property on June 12, 2026, and states that the Board of Investments notified Yellowstone County on the day of closing as is necessary for any parcel transactions. The Board of Investments admits that the closing was publicly reported on June 16, 2026.

III. PROCEDURAL HISTORY

58. Answering Paragraph 58 Plaintiff's Amended Complaint, the Board of Investments admits that Plaintiff filed a Complaint challenging the Final EA on June 25, 2026 and that the Complaint speaks for itself, but the Board of Investments denies the allegations contained in Plaintiff's Complaint and that Plaintiff is entitled to any relief requested.

59. Answering Paragraph 59 Plaintiff's Amended Complaint, the Board of Investments admits that Plaintiff filed a Motion for Temporary Restraining Order and Preliminary Injunction on June 25, 2026, but the Board of Investments denies the allegations contained in Plaintiff's Motion and that Plaintiff is entitled to any relief requested.

60. Answering Paragraph 60 Plaintiff's Amended Complaint, the Board of Investments admits that Plaintiff's motion challenged the June 12, 2026, EA, but the Board of Investments denies any allegations contained in Plaintiff's motion and that Plaintiff is entitled to any relief requested therein.

61. Answering Paragraph 61 Plaintiff's Amended Complaint, the Board of Investments admits that the Court granted in part Plaintiff's Motion for Preliminary injunction, and states that the Court's order speaks for itself.

62. The Board of Investments admits the allegations in Paragraph 62 of Plaintiff's Amended Complaint.

63. The Board of Investments admits the allegations in Paragraph 63 of Plaintiff's Amended Complaint.

64. The Board of Investments admits the allegations in Paragraph 64 of Plaintiff's Amended Complaint.

65. The Board of Investments admits the allegations in Paragraph 65 of Plaintiff's Amended Complaint.

66. Answering Paragraph 66 Plaintiff's Amended Complaint, the Board of Investments admits that the City of Laurel submitted public comment regarding the Forensic Mental Health Facility, but states that the City of Laurel's public comment speaks for itself, but denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of the City of Laurel's comment.

67. The Board of Investments admits the allegations in Paragraph 67 of Plaintiff's Amended Complaint.

IV. THE FINAL ENVIRONMENTAL ASSESSMENT

Water Demand

68. Answering Paragraph 68 of Plaintiff's Amended Complaint, the Board of Investments admits that the Final Environmental Assessment provides estimates using DEQ Circular 4 and states that the Final Environmental Assessment speaks for itself, and denies

Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment.

69. The Board of Investments denies the allegations in Paragraph 69 of Plaintiff's Amended Complaint and states that the Final Environmental Assessment speaks for itself.

70. The Board of Investments denies the allegations in Paragraph 70 of Plaintiff's Amended Complaint.

71. The Board of Investments denies the allegations in Paragraph 71 of Plaintiff's Amended Complaint.

System Capacity

72. The Board of Investments admits the allegations in Paragraph 72 of Plaintiff's Amended Complaint.

73. Answering Paragraph 73 of Plaintiff's Amended Complaint, the Board of Investment states that the Final Environmental Assessment speaks for itself, including that City of Laurel actions reflect an affirmative engineering determination that capacity exists in the system to receive new connections, including for the Forensic Mental Health Facility, and denies Plaintiff's allegations to the extent inconsistent with the Final Environmental Assessment.

74. Answering Paragraph 74 of Plaintiff's Amended Complaint, the Board of Investments admits that the City of Laurel has never made a facility-specific determination that its water system has sufficient capacity to serve the Forensic Mental Health Facility.

75. Answering Paragraph 75 of Plaintiff's Amended Complaint, the Board of Investments states that the City of Laurel's June 29, 2026, Letter speaks for itself and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Letter or Final Environmental Assessment.

76. The Board of Investments denies the allegations in Paragraph 76 of Plaintiff's Amended Complaint.

77. Answering Paragraph 77 of Plaintiff's Amended Complaint, the Board of Investments states that the Final Environmental Assessment speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment.

78. Answering Paragraph 78 of Plaintiff's Amended Complaint, the Board of Investments states that the Final Environmental Assessment speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment.

79. Answering Paragraph 79 of Plaintiff's Amended Complaint, the Board of Investments states that the Agreement and Final Environmental Assessment speak for themselves, and deny Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Agreement or Final Environmental Assessment.

80. Answering Paragraph 80 of Plaintiff's Amended Complaint, the Board of Investments admits that some persons have raised issues regarding water pressure but otherwise denies the allegations in Paragraph 80 of Plaintiff's Amended Complaint.

81. The Board of Investments denies the allegations in Paragraph 81 of Plaintiff's Amended Complaint.

82. Answering Paragraph 82 of Plaintiff's Amended Complaint, the Board of Investments states that the Final Environmental Assessment, including supporting engineering analysis, speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment or supporting engineering analysis.

83. Answering Paragraph 83 of Plaintiffs' Amended Complaint, the Board of Investments admits that the State's engineer analyzed water pressure for the Facility based in part on tests conducted for the Love's Travel Center and that the engineering analysis speaks for itself and denies the allegations in Paragraph 83 to the extent inconsistent with, or an incomplete characterization of, the State Engineer's analysis. The Board of Investments further states that it requested to perform onsite fire hydrant testing to confirm pressure, but the City of Laurel has refused, since June 29, 2026, to allow such testing.

84. Answering Paragraph 84 of Plaintiff's Amended Complaint, the Board of Investments states that the Final Environmental Assessment speaks for itself, including in drawing reasonable conclusions or inferences regarding water pressure, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment.

85. Answering Paragraph 85 of Plaintiff's Amended Complaint, the Board of Investments states that the Final Environmental Assessment speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment.

86. Answering Paragraph 86 of Plaintiff's Amended Complaint, the Board of Investments states that the Final Environmental Assessment speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment.

87. Answering Paragraph 87 of Plaintiff's Amended Complaint, the Board of Investments states that the Final Environmental Assessment speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment.

88. Answering Paragraph 88 of Plaintiff's Amended Complaint, the Board of Investments states that the Final Environmental Assessment speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment.

89. Answering Paragraph 89 of Plaintiff's Amended Complaint, the Board of Investments states that the City's public comment speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the comment or intake issue.

90. Answering Paragraph 90 of Plaintiff's Amended Complaint, the Board of Investments states that the Final Environmental Assessment speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment.

91. Answering Paragraph 91 of Plaintiff's Amended Complaint, the Board of Investments states that the Final Environmental Assessment speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment.

92. Answering Paragraph 92 of Plaintiff's Amended Complaint, the Board of Investments states that DEQ Circular 4 speaks for itself.

93. Answering Paragraph 93 of Plaintiff's Amended Complaint, the Board of Investments states that DEQ Circular 1 speaks for itself.

94. Answering Paragraph 94 of Plaintiff's Amended Complaint, the Board of Investments states the City of Laurel's public comment speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the comment.

95. Answering Paragraph 95 of Plaintiff's Amended Complaint, the Board of Investments states that the Final Environmental Assessment, including engineering analysis, speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment.

96. Answering Paragraph 96 of Plaintiff's Amended Complaint, the Board of Investments states that the City of Laurel's 2023 Water System Preliminary Engineering Report speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the 2023 Water System Preliminary Engineering Report.

97. Answering Paragraph 97 of Plaintiff's Amended Complaint, the Board of Investments states that the Final Environmental Assessment speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment.

98. Answering Paragraph 98 of Plaintiff's Amended Complaint, the Board of Investments admits that further engineering analysis, including of the City of Laurel comment, resulted in affirmation of demand and capacity determinations, and further states that the Final Environmental Assessment, including its engineering analysis, speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment.

Availability of Water Service

99. The Board of Investments admits the allegations in Paragraph 99 of Plaintiff's Amended Complaint and states that the Final Environmental Assessment speaks for itself.

100. The Board of Investments admits the allegations in Paragraph 100 of Plaintiff's Amended Complaint.

101. The Board of Investments admits the allegations in Paragraph 101 of Plaintiff's Amended Complaint.

102. Answering Paragraph 102 of Plaintiff's Amended Complaint, the Board of Investments admits that the Final Environmental Assessment identified eight options to ensure that adequate public services, including water and sewer, are provided to the Forensic Mental Health Facility. The Board of Investments further states that the Final Environmental Assessment identified the preferred option, which is comparable to the Proposed Action, and which is that the City of Laurel agree to provide water and sewer services to the Forensic Mental Health Facility without annexing the property into the City, as the City is doing with other customers, and that annexation, although not necessary for the Facility to obtain public services, is an option to potentially arrive at a situation mutually benefitting both the City of Laurel and the Forensic Mental Health Facility. As a condition of connection and/or annexation, mitigation funding could be provided to the City of Laurel for conservation measures or infrastructure upgrades in the amount of the Facility's expected use. The Board of Investments denies the remaining allegations in Paragraph 102 of Plaintiff's Amended Complaint, including inconsistent and inaccurate characterizations of the Final Environmental Assessment.

103. Answering Paragraph 103 of Plaintiff's Amended Complaint, the Board of Investments states that the Final Environmental Assessment speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment or the procedural requirements of the Montana Environmental Policy Act.

104. The Board of Investments denies the allegations in Paragraph 104 of Plaintiff's Amended Complaint.

105. The Board of Investment lacks sufficient knowledge at this time to form a belief as to the truth of the allegations in Paragraph 105 of Plaintiff's Amended Complaint regarding the speculative and unforeseeable costs, impacts, effects, or lack thereof of exercising potential options, and the scope of those potential options, to ensure the Facility is provided water and sewer services in response to the as yet unascertained actions of others, and therefore denies the same.

106. Answering Paragraph 106 of Plaintiff's Amended Complaint, the Board of Investments states that the Final Environmental Assessment speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment or the procedural requirements of the Montana Environmental Policy Act.

107. Answering Paragraph 107 of Plaintiff's Amended Complaint, the Board of Investments states that the Final Environmental Assessment speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Revised Final Environmental Assessment or the procedural requirements of the Montana Environmental Policy Act.

Other Water Issues

108. Answering Paragraph 108 of Plaintiff's Amended Complaint, the Board of Investments admits that the Final Environmental Assessment states that "[t]o minimize the use of treated potable water for non-potable purposes, the Proposed Action includes installation of on-site groundwater wells dedicated to landscape irrigation. The irrigation wells would be permitted by the Montana Department of Natural Resources and Conservation (DNRC) under the Montana Water Use Act (Title 85, Chapter 2, MCA). Estimated irrigation demand is approximately 7,000 gallons per day during the growing season."

109. Answering Paragraph 109 of Plaintiff's Amended Complaint, the Board of Investments states that the Final Environmental Assessment speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment or the procedural requirements of the Montana Environmental Policy Act.

110. Answering Paragraph 110 of Plaintiff's Amended Complaint, the Board of Investments admits that the Final Environmental Assessment describes six wetlands totaling 17.31 acres and five bed-and-bank features totaling 1.84 acres that were delineated during the February 2026 aquatic resource delineation.

111. Paragraph 111 of Plaintiff's Amended Complaint contains legal conclusions that do not require a response. To the extent a response may be required, the Board of Investments states that the Clean Water Act and the Final Environmental Assessment speak for themselves and denies Plaintiff's allegations to the extent inconsistent with the Clean Water Act or the Final Environmental Assessment.

112. The Board of Investments denies the allegations in Paragraph 112 of Plaintiff's Amended Complaint.

113. The Board of Investments denies the allegations in Paragraph 113 of Plaintiff's Amended Complaint.

114. The Board of Investments denies the allegations in Paragraph 114 of Plaintiff's Amended Complaint.

Human Environment

115. The Board of Investments admits the allegations in Paragraph 115 of Plaintiff's Amended Complaint.

116. Answering Paragraph 116 of Plaintiff's Amended Complaint, the Montana Board of Investments admits that the Forensic Mental Health Facility would be located just over a 0.25-mile distance from residences and that the Facility would be a little over 0.5 miles from Laurel Elementary School.

117. Answering Paragraph 117 of Plaintiff's Amended Complaint, the Montana Board of Investments denies that the Laurel Growth Management Policy identifies the parcel considered for the Facility. The Montana Board of Investments further states that the Laurel Growth Management Policy speaks for itself, and the Board of Investments denies any characterization or inference that might be drawn from Plaintiff's allegations.

118. The Board of Investments admits that the Forensic Mental Health Facility, as a State-run facility, would not pay local taxes, but notes that the Facility would still pay normal use fees such as water and sewer.

119. Answering Paragraph 119 of Plaintiff's Amended Complaint, the Board of Investments admits that the Final Environmental Assessment includes analysis of the growth policy, including analysis of the Forensic Mental Health Facilities' consistency with the growth policy, and that the Facility will have positive socioeconomic impacts. The Board of Investments further states that the Final Environmental Assessment speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment. The Board of Investments denies the remaining allegations in Paragraph 119.

120. Answering Paragraph 120 of Plaintiff's Amended Complaint, the Board of Investments admits that the Final Environmental Assessment relies in part on studies regarding supportive housing, substance-use treatment centers, mental-health centers, and group homes. The Board of Investments states that the Final Environmental Assessment speaks for itself, and denies

Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment. The Board of Investments denies the remaining allegations in Paragraph 120.

121. Answering Paragraph 121 of Plaintiff's Amended Complaint, the Board of Investments admits that it analyzed various patient populations and facilities in assessing the Forensic Mental Health Facility. The Board of Investments states that the Final Environmental Assessment speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment. The Board of Investments denies the remaining allegations in Paragraph 121.

122. Answering Paragraph 122 of Plaintiff's Amended Complaint, the Board of Investments admits that it analyzed traffic impacts using existing traffic-impact studies reflective of the location of the Facility. The Board of Investments states that the Final Environmental Assessment speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment. The Board of Investments denies the remaining allegations in Paragraph 122.

123. The Board of Investments denies the allegations in Paragraph 123 of Plaintiff's Amended Complaint.

Alternatives

124. The Board of Investments admits the allegations in Paragraph 124 of Plaintiff's Amended Complaint.

125. Answering Paragraph 125 of Plaintiff's Amended Complaint, the Board of Investments admits that only Big Horn County and Custer County responded to the Due Diligence Questionnaire, and that neither Yellowstone County nor the City of Laurel responded to the Due Diligence Questionnaire.

126. The Board of Investments admits the allegations in Paragraph 126 of Plaintiff's Amended Complaint, but states that the reasons for the site's selection are provided in the Final Environmental Assessment.

127. Answering Paragraph 127 of Plaintiff's Amended Complaint, the Montana Board of Investments admits that it chose the location west of Laurel in Yellowstone County for the Forensic Mental Health Facility after investigating alternative sites and applying site selection criteria. The Board of Investments admits that Big Horn County and Custer County responded to a Due Diligence Questionnaire for the Facility, but that potential locations in Big Horn County or Custer County were not selected for the Facility after site visits and application of site selection criteria. The Board of Investments states that its primary reasons for not selecting locations in Big Horn County or Custer County for the Facility were their distance from patient concentration, workforce availability, State Land Board processes, and unclear path toward land ownership/acquisition, and the Board of Investments denies that its assessment of potential Big Horn County or Custer County locations was perfunctory.

128. Answering Paragraph 128 of Plaintiff's Amended Complaint, the Board of Investments states that the Final Environmental Assessment speaks for itself, and denies Plaintiff's allegations to the extent inconsistent with, or an incomplete characterization of, the Final Environmental Assessment or the procedural requirements of the Montana Environmental Policy Act.

129. The Board of Investments denies the allegations in Paragraph 129 of Plaintiff's Amended Complaint.

130. Paragraph 130 of Plaintiff's Amended Complaint contains legal conclusions that do not require a response. To the extent a response may be required, the Board of Investments states that the Montana Environmental Policy Act, this Court's Order Granting in Part Preliminary

Injunction (Doc. 35), and the Final Environmental Assessment speak for themselves and denies Plaintiff's allegations to the extent inconsistent with the Montana Environmental Policy Act, this Court's Order Granting in Part Preliminary Injunction, or the Revised Final Environmental Assessment.

COUNT I

131. The Board of Investments reincorporates by this reference its responses to all previous Paragraphs, and also its responses to the extent applicable in the Answer of Montana Board of Investments (Doc. 19).

132. Paragraph 132 of Plaintiff's Amended Complaint contains incomplete statements of law regarding the Montana Environmental Policy Act to which no response is required. To the extent a response may be required, the Board of Investments states that it took a hard look at the environmental, social, public health, and economic impacts, including as to water infrastructure, capacity, pressure, and availability, of the Forensic Mental Health Facility, and that its conclusions were reasoned, rational, based on substantial evidence, based on agency expertise, and based on expert engineering review. The Board of Investments further states that the Environmental Assessment and Montana Environmental Policy Act speak for themselves and denies Plaintiff's allegations to the extent inconsistent with the Environmental Assessment or the Montana Environmental Policy Act.

133. The Board of Investments denies the allegations in Paragraph 133 of Plaintiff's Amended Complaint.

134. The Board of Investments denies the allegations in Paragraph 134 of Plaintiff's Amended Complaint.

135. The Board of Investments denies the allegations in Paragraph 135 of Plaintiff's Amended Complaint.

136. The Board of Investments denies the allegations in Paragraph 136 of Plaintiff's Amended Complaint.

137. Paragraph 137 of Plaintiff's Amended Complaint contains legal conclusions to which no response is required. To the extent a response may be required, the Board of Investments states that the Montana Environmental Policy Act and Revised Final Environmental Assessment speak for themselves and denies Plaintiff's allegations to the extent inconsistent with, the Montana Environmental Policy Act or the Final Environmental Assessment. The Board of Investments denies the remaining allegations in Paragraph 137, and states that it complied with the Montana Environmental Policy Act.

138. Paragraph 138 of Plaintiff's Amended Complaint contains incomplete statements of law regarding the Montana Environmental Policy Act to which no response is required. To the extent a response may be required, the Board of Investments states that the Montana Environmental Policy Act speaks for itself and denies Plaintiff's allegations to the extent inconsistent with the Montana Environmental Policy Act and denies any characterization or inference that might be drawn from Plaintiff's allegations.

139. Answering Paragraph 139 of Plaintiff's Complaint, the Montana Board of Investments admits that a Due Diligence Questionnaire process was used to explore interest and expand potential sites for the Forensic Mental Health Facility; that Big Horn and Custer Counties responded to the Due Diligence Questionnaire, and that the City of Laurel did not respond to the Due Diligence Questionnaire; and that another location was selected through application of the site selection criteria. The Board of Investments further states that an essential component of the Forensic Mental Health Facility's need was the Facility's location, which had to provide

geographic equity in the availability of forensic mental health care and the Facility had to be accessible to, and promote the growth of, the mental health care workforce. In evaluating alternative Facility locations to achieve equity and access, multiple criteria were considered (accessibility, transportation, and logistics; site configuration and suitability; utilities, public services, and infrastructure; fiduciary considerations; and permanent work force availability). The location west of Laurel in Yellowstone County most clearly satisfied the State's selection criteria, including relative to the other locations considered. The Board of Investments denies the allegations in Paragraph 139 of Plaintiff's Amended Complaint.

140. Answering Paragraph 140 of Plaintiff's Amended Complaint, the Board of Investments admits that it took a further hard look at information concerning water system capacity, water-service availability, potential infrastructure constraints, and other site-specific impacts associated with the Facility's location, and that it further investigated all Environmental Assessment sections, and related information, addressing water supply issues; further consulted with professional engineers concerning water supply issues, who also provided further technical analysis on water supply issues; further consulted with the Montana Department of Environmental Quality, the regulator of public water supply systems, and the Department of Natural Resources and Conservation, the regulator of water rights, concerning water supply issues; reviewed the City of Laurel annexation moratorium process for information material to water supply issues; revised the Environmental Assessment sections addressing water supply issues to provide additional explanation and technical analysis of water supply issues; expanded upon the applicable Finding and Conclusion in the revised Final Environmental Assessment; posted the revised Final Environmental Assessment, including Appendices, to the hb5.mt.gov website for public review and comment; provided public notice of a public comment period and a public hearing on the revised Final Environmental Assessment and Forensic Mental Health Facility; received and

reviewed written public comments; attended and considered comments made at the public hearing; further evaluated water supply, and other, issues based on applicable public comment; further considered the Proposed Action, Findings and Conclusions, and Agency Determination; and issued a Final Environmental Assessment confirming the Agency Determination. The Board of Investments states that the Revised Final Environmental Assessment and Montana Environmental Policy Act speak for themselves and denies any characterization or inference that might be drawn from Plaintiff's allegations.

141. The Board of Investments denies the allegations in Paragraph 141 of Plaintiff's Amended Complaint.

142. The Board of Investments denies the allegations in Paragraph 142 of Plaintiff's Amended Complaint.

143. The Board of Investments denies the allegations in Paragraph 143 of Plaintiff's Amended Complaint.

COUNT II

144. The Board of Investments reincorporates by this reference its responses to all previous Paragraphs, and also its responses to the extent applicable in the Answer of Montana Board of Investments (Doc. 19).

145. Paragraph 145 of Plaintiff's Amended Complaint contains legal conclusions that do not require a response. To the extent a response may be required, the Montana Board of Investments states that the Montana Environmental Policy Act and associated rules speak for themselves and denies Plaintiff's allegations to the extent inconsistent with the Montana Environmental Policy Act or its associated rules.

146. Paragraph 146 of Plaintiff's Amended Complaint contains legal conclusions that do not require a response. To the extent a response may be required, the Montana Board of Investments states that the Montana Environmental Policy Act and associated rules speak for themselves and denies Plaintiff's allegations to the extent inconsistent with the Montana Environmental Policy Act or its associated rules.

147. The Board of Investments denies the allegations in Paragraph 147 of Plaintiff's Amended Complaint.

148. The Board of Investments denies the allegations in Paragraph 148 of Plaintiff's Amended Complaint.

149. The Board of Investments denies the allegations in Paragraph 149 of Plaintiff's Amended Complaint.

150. The Board of Investments denies the allegations in Paragraph 150 of Plaintiff's Amended Complaint.

COUNT III

151. The Board of Investments reincorporates by this reference its responses to all previous Paragraphs, and also its responses to the extent applicable in the Answer of Montana Board of Investments (Doc. 19).

152. Paragraph 152 of Plaintiff's Amended Complaint contains legal conclusions that do not require a response. To the extent a response may be required, the Montana Board of Investments states that the Montana Environmental Policy Act and associated rules speak for themselves and denies Plaintiff's allegations to the extent inconsistent with the Montana Environmental Policy Act or its associated rules.

153. Paragraph 153 of Plaintiff's Amended Complaint contains legal conclusions that do not require a response. To the extent a response may be required, the Montana Board of

Investments states that the Montana Environmental Policy Act and associated rules speak for themselves and denies Plaintiff's allegations to the extent inconsistent with the Montana Environmental Policy Act or its associated rules.

154. The Board of Investments denies the allegations in Paragraph 154 of Plaintiff's Amended Complaint.

155. The Board of Investments denies the allegations in Paragraph 155 of Plaintiff's Amended Complaint.

156. The Board of Investments denies the allegations in Paragraph 156 of Plaintiff's Amended Complaint.

157. The Board of Investments denies the allegations in Paragraph 157 of Plaintiff's Amended Complaint.

158. The Board of Investments denies the allegations in Paragraph 158 of Plaintiff's Amended Complaint.

159. The Board of Investments denies the allegations in Paragraph 159 of Plaintiff's Amended Complaint.

160. To the extent any allegation in Plaintiff's Amended Complaint has not been specifically admitted, qualified, or otherwise responded to, such allegation, and any characterization or inference that might be drawn from the allegation, is denied.

PRAYER FOR RELIEF

To the extent the Prayer for Relief in Plaintiff's Amended Complaint contains allegations directed and the Board of Investments, the Board of Investments denies any allegations contained therein and denies that Plaintiff is entitled to any of the relief requested.

AFFIRMATIVE DEFENSES

1. Plaintiff fails to state a claim upon which relief can be granted.

2. Plaintiff does not have standing.

3. Plaintiff failed to join an indispensable party.

4. Plaintiff's claims are barred by doctrine of res judicata.

5. Plaintiff's claims are barred by the doctrine of collateral estoppel.

6. Plaintiff's claims are barred by the statute of limitations.

7. Plaintiff failed to exhaust administrative remedies.

8. Plaintiff relies on evidence not contained in the record.

9. Plaintiff fails to prove their claims by clear and convincing evidence contained in the record.

10. Plaintiff was provided the Montana Environmental Policy Act's procedural protections.

11. The Montana Environmental Policy Act does not require review of water or sewer system plans or specifications.

12. The Montana Board of Investments may rely on Department of Environmental Quality public water supply system recordkeeping.

13. The Montana Board of Investments' consideration of environmental and social issues must be oriented toward an assessment of risk and return.

14. Plaintiff's remedies are limited to only those remedies available under the Montana Environmental Policy Act.

15. The Montana Environmental Policy Act does not provide relief for injuries or harm unrelated to the Montana environment.

16. Plaintiff is not entitled to attorney's fees or costs.

WHEREFORE, the Board of Investments respectfully requests:

a. That Plaintiff takes nothing by its Amended Complaint, and that it be dismissed with prejudice;

b. The Board of Investments reasonable costs of suit; and

c. Such other and further relief as the Court deems just, equitable, and proper.

Dated this 16th day of October 2026.

CROWLEY FLECK PLLP

By /s/ Christopher C. Stoneback
Christopher C. Stoneback
Mason T. DuMars

Attorneys for Montana Board of Investments

CERTIFICATE OF SERVICE

I, the undersigned representative for the law firm of Crowley Fleck PLLP, hereby certify that on this 16th day of October 2026, I electronically filed the foregoing document to the Clerk of the Court which will send notification to all Registrants below.

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CERTIFICATE OF SERVICE

I, Mason T. DuMars, hereby certify that I have served true and accurate copies of the foregoing Answer/Brief - Answer to the following on 10-16-2026:

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Electronically signed by Mary Burns on behalf of Mason T. DuMars
Dated: 10-16-2026