

District admit only that Plaintiffs Friede, Skiles, Smith, Stewart and Stock are owners of parcels of real property located within the District. The District lacks knowledge or information sufficient to form a belief as to identity of the John Doe Plaintiffs A-Z and therefore denies the same.

2. The District denies the allegations of Paragraph 2 of Plaintiffs' Complaint and states that Mont. Code Ann. §7-13-2214 is the statute under which the District was created. Its legal name is the Seeley Lake-Missoula County Sewer District.

3. The District lacks knowledge or information sufficient to form a belief as to the identity of John Doe Defendants 1-10 and therefore denies the same.

JURISDICTION AND VENUE

4. Paragraph 4 of Plaintiffs' Complaint is a conclusion of law to which no response is required. To the extent a response is required, the District admits only that personal jurisdiction and venue are proper.

ALLEGATIONS COMMON TO ALL COUNTS

5. Answering the allegations of Paragraph 5 of Plaintiff's Complaint, the District admits that it was created in 1992.

6. Answering the allegations of Paragraph 6 of Plaintiffs' Complaint, the District states it amended the original Bylaws of the Sewer District and specifically the language regarding its express purpose in 2019. The language quoted by

Plaintiffs no longer exists. Except as specifically admitted, the District denies the allegations of Paragraph 6 of Plaintiffs' Complaint.

7. The allegations in paragraph 7 of Plaintiffs' Complaint state a legal conclusion to which no response is required. The District admits that Mont. Code Ann. §§7-13-2217 through 7-13-2220 set forth some of the powers granted to the District by the Montana Legislature.

8. Answering the allegations of Paragraph 8 of Plaintiffs' Complaint, the District admits only that there are individual wastewater treatment systems, comprised of septic tanks and drain fields, within the District. The number of individual wastewater treatment systems can be verified through County records.

9. Answering the allegations in paragraph 9 of Plaintiffs' Complaint, the District states that the Resolution No. 09072016 is the best evidence of its contents and speaks for itself.

10. Answering the allegations of Paragraph 10 of Plaintiffs' Complaint, the District states that Resolution No. 11082017 is the best evidence of its contents and speaks for itself. The District states that current cost estimates for the system are \$17,000,000.00 so the special assessment proceedings do not allow the issuance of bonds in an amount sufficient, with other funds, to fully fund the project.

11. Answering the allegations of Paragraph 11, the District admits that it caused a notice to be published and mailed.

12. Answering the allegations of Paragraph 12 of Plaintiffs' Complaint, the District admits that in 2017, owners of a majority of the properties liable to be assessed did not protest the proposed assessment methodology and the Board as then constituted moved forward with a design for the sewer project. Except as specifically admitted, the District denies the remaining allegations of Paragraph 12 of Plaintiffs' Complaint.

13. Answering the allegations of Paragraph 13 of Plaintiffs' Complaint, the District states that Resolution No. 12212017 is the best evidence of its contents and speaks for itself.

14. Answering the allegations of Paragraph 14 of Plaintiffs' Complaint, the District states that Resolution No. 12212017 is the best evidence of its contents and speaks for itself. The assessment bonds were never in a position to be authorized and never came into existence.

15. Answering the allegations of Paragraph 15 of Plaintiffs' Complaint, the District states that Resolution No. 08152019A is the best evidence of its contents and speaks for itself.

16. Answering the allegations of Paragraph 16 of Plaintiffs' Complaint, the District states that Resolution No. 07162020B is the best evidence of its

contents and speaks for itself. The Resolution states the Board's intent to install a system designed by Great West Engineering after meeting the requirements of the funding agency and bond counsel.

17. Answering the allegations of Paragraph 17 of Plaintiffs' Complaint, the District states that Resolution No. 07162020B is the best evidence of its contents and speaks for itself. The District admits that the Board agreed to explore options to fund the sewer project rather than the inadequate assessment bonds.

18. Answering the allegations of Paragraph 18 of the Plaintiffs' Complaint, the Board admits that Resolution No. 11192020 of necessity superseded the 2017 special assessment proceedings. The Resolution, among other things, was a recognition that the special assessment proceedings did not authorize special assessment bonds in an amount sufficient to fully fund the project and the Board desired that qualified electors vote on General Obligation and Revenue Bonds to fund the sewer project more equitably.

19. Answering the allegations of Paragraph 19 of Plaintiffs' Complaint, the District states that Resolution No. 07162020B is the best evidence of its contents and speaks for itself.

20. Answering the allegations of paragraph 20 of Plaintiffs' Complaint, the District states that the qualified electors in the District will vote on General Obligation Bonds and the qualified electors in Subdistrict No.1 will vote on

Revenue Bonds on February 23, 2021.

21. Answering the allegations of paragraph 21 of Plaintiffs' Complaint, the District states that if the vote on the General Obligation and Revenue Bonds fails, the USDA has indicated an intent to de-obligate the grants and loans.

22. The District denies the allegations of Paragraph 22 of Plaintiffs' Complaint.

23. Answering the allegations of Paragraph 23 of Plaintiffs' Complaint, the District lacks knowledge or information sufficient to form a belief and therefore denies the same. The District states that in July 2020 the Board voted to recommit to the project and educate themselves on bonds and in November 2020 the Board voted to call for an election on bonds to pay a portion of the costs of the sewer system.

24. The District denies the allegations of Paragraph 24 and states that if the bond election fails on February 23, 2021, the USDA has indicated an intent to de-obligate the grants and loans.

COUNT I – DECLARATORY JUDGMENT

25. The District reincorporates its answers to paragraphs 1 through 24 as if fully set forth herein.

26. The allegations in paragraph 26 of Plaintiffs' Complaint state a legal conclusion to which no response is required. To the extent a response is required,

the District denies Plaintiffs' interpretation of the law.

27. The allegations in paragraph 27 of Plaintiffs' Complaint state a legal conclusion to which no response is required. To the extent a response is required, the District denies Plaintiffs' interpretation of the law.

28. The allegations in paragraph 28 of Plaintiffs' Complaint state a legal conclusion to which no response is required. To the extent a response is required, the District denies Plaintiffs' interpretation of the law.

29. The District denies the allegations of Paragraph 29 of Plaintiffs' Complaint.

30. The District denies the allegations of Paragraph 30 of Plaintiffs' Complaint.

31. The District denies the allegations of Paragraph 31 of Plaintiffs' Complaint.

COUNT II – WRIT OF MANDATE

32. The District reincorporates its answers to paragraphs 1 through 24 as if fully set forth herein.

33. The allegations in paragraph 33 of Plaintiffs' Complaint state a legal conclusion to which no response is required. To the extent a response is required, the District denies Plaintiffs' interpretation of the law.

34. The allegations in paragraph 34 of Plaintiffs' Complaint state a legal conclusion to which no response is required. To the extent a response is required, the District denies Plaintiffs' interpretation of the law.

35. The District denies the allegations in paragraph 35 of Plaintiffs' Complaint.

36. The District denies the allegations in paragraph 36 of Plaintiffs' Complaint.

37. The District denies the allegations in paragraph 37 of Plaintiffs' Complaint.

38. The District denies the allegations in paragraph 38 of Plaintiffs' Complaint.

39. The District denies the allegations in paragraph 39 of Plaintiffs' Complaint.

FIRST AFFIRMATIVE DEFENSE

The Complaint fails to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

The Complaint is barred by the doctrines of estoppel, laches, and/or waiver.

THIRD AFFIRMATIVE DEFENSE

The Court lacks subject matter jurisdiction over Plaintiffs' claims.

FOURTH AFFIRMATIVE DEFENSE

Plaintiffs' claims fail based on the impossibility of performance.

FIFTH AFFIRMATIVE DEFENSE

Plaintiffs are not entitled to and cannot recover attorney fees.

SIXTH AFFIRMATIVE DEFENSE

Plaintiffs lack standing.

SEVENTH AFFIRMATIVE DEFENSE

The action is not a justiciable controversy.

EIGHTH AFFIRMATIVE DEFENSE

Plaintiffs' claims are not grounded in fact or warranted by existing law or a good faith argument for extension, modification, or reversal of an existing law.

APPLICABILITY OF AFFIRMATIVE DEFENSES

The District expressly reserves the right to assert one or more additional affirmative defenses in this action, following completion of discovery, and the District hereby expressly asserts their intention to assert any additional affirmative defenses warranted by the facts and circumstances disclosed in discovery.

PRAYER FOR RELIEF

The District prays for relief as follows:

1. That Plaintiffs' Complaint be dismissed and they take nothing thereby;

2. For the District's costs and attorney fees to the fullest extent allowed by law; and

3. For all other relief the Court deems just, equitable, and proper.

DATED this 25th day of January 2021.

Faure Holden Attorneys at Law, P.C.

/s/ Jean E. Faure

Jean E. Faure

CERTIFICATE OF SERVICE

This is to certify that the foregoing was duly served upon the following by the means designated below on the 25th day of January 2021.

Nathan G. Wagner SULLIVAN, WAGNER & LYONS, PLLC 1821 South Avenue West, Suite 501 Missoula, MT 59801 nate@swl.legal ; mail@swl.legal <i>Attorney for Plaintiffs</i>	<input checked="" type="checkbox"/> CM/ECF <input type="checkbox"/> U. S. Mail <input type="checkbox"/> Federal Express <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input type="checkbox"/> E-mail
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Faure Holden Attorneys at Law, P.C.

/s/ Jean E. Faure

Jean E. Faure