

Exhibit 16.
Water System Improvements



Town of Montgomery



COTHREN, GRAFF, SMOAK ENGINEERING, INC.

CIVIL ♦ ENVIRONMENTAL ♦ SANITARY ♦ STRUCTURAL ♦ MECHANICAL ♦ ELECTRICAL

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WATER SYSTEM IMPROVEMENTS

DISTRIBUTION

The Town's water system currently has mains within the corporate limits adequate to provide flow and pressure for fighting fires. The system will be improved as follows to provide adequate water pressure and fire flow at the Site to combat fires (See attached improvement plan):

1. Construct a 2260 linear foot extension of 6" water main along U.S. Highway 71 to the southern boundary of the Industrial Site.
2. Construct fire hydrants at 500' intervals including one at the end of the new 6" main extension.

The design and construction of these improvements, per Engineer, can be accomplished within 120 days.

SUPPLY CAPACITY

The Town's water system obtains its water from four supply wells north of Town. The Town's supply capacity will be increased by constructing, east of Town, one well, disinfection facility, 12,000 LF of water main and a connection to the System's existing distribution main.

The design and construction of these improvements, per Engineer, can be accomplished within 180 days.

COST AND FINANCIAL RESPONSIBILITY

The Probably Construction Cost of the distribution improvements is \$33,900.00.

The Probably Construction Cost for the water supply improvements is \$300,000.00.

The Town will make these improvements using funds from reserve accounts and/or the State Revolving Loan program. The Town has submitted a project funding application to the State Economic Development program currently to assist in the Supply Capacity portion of these improvements.