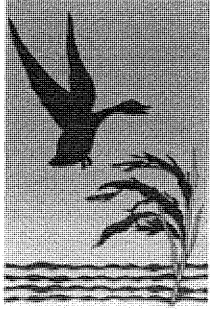


WHITE RIVER



IRRIGATION
DISTRICT

White River Irrigation District

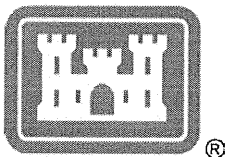
Grand Prairie Irrigation Project

Public-Private-Partnership Initiative

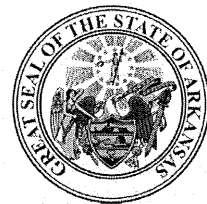
Request for Information

RFI P3-16-01

June 6, 2016



In collaboration with:
United States Army Corps of Engineers
Arkansas Natural Resources Commission



Grand Prairie Irrigation Project Request for Information RFI P3-16-01

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Grand Prairie Irrigation Project

P3 Request for Information

1. INTRODUCTION

1.1. PURPOSE OF THIS REQUEST FOR INFORMATION

In collaboration with United States Army Corps of Engineers (“USACE”) and the Arkansas Natural Resources Commission (“ANRC”), the White River Regional Irrigation Water Distribution District (hereafter, “White River Irrigation District” or “WRID”) hereby invites interested parties to respond to this Request for Information (“RFI”) regarding a prospective future solicitation to:

Design, Build, Finance, Operate and Maintain (“DBFOM”) the remaining project elements of the Grand Prairie Irrigation Project (“Project”) under a Public-Private-Partnership (“P3”) arrangement.

The purpose of this RFI is to seek the industry’s perspective and feedback on the questions presented herein and to provide an opportunity for industry input on the overall transaction structure for the Project. Interested firms and parties are strongly encouraged to submit responses with detailed comments. The information contained in the responses to this RFI will help WRID steer planning and development efforts for the Project, and help confirm or refine WRID’s project procurement, financing and delivery approach, and may result in the launch of a formal procurement.

1.2. EFFECT OF THIS REQUEST FOR INFORMATION

This RFI is an inquiry only and is not a formal solicitation or initiation of a procurement process. Submissions will not be evaluated or scored. No contract or agreement will be entered into as a result of this RFI.

This RFI does not represent a commitment to issue a Request for Qualifications (“RFQ”) or a Request for Proposals (“RFP”) in the future, or a commitment that a subsequent procurement, if any, will follow any delivery approach described herein. Therefore, those choosing to respond to this RFI will not, merely by virtue of providing any manner of response, be deemed to be “bidders” on the Project in any sense.

Submission of responses is not a prerequisite for participating in a future procurement. Such participation would be subject to demonstrating satisfaction of the criteria stipulated in subsequent solicitation documents. Participation in this RFI and ensuing Industry Forum, or an election not to participate, will not confer on any Respondent any preference, special designation, advantage, or disadvantage whatsoever in any subsequent procurement process related to the Project.

1.3. SUBMISSION REQUIREMENTS

WRID welcomes responses to this RFI from independent companies or corporations, or from consortia or partnerships, that have a potential interest in acting as lead developers, design-build contractors, operators, or equity investors for a P3 ("Respondents"). WRID is interested in the maximum amount of constructive comments. It is not necessary for Respondents to respond as the consortia or partnerships which are planning to submit future bids, although WRID is interested in being informed as to the formation of any future bidding groups for work on the Project. Such information will not be binding on the Respondents.

Organizations that do not expect to act as lead developers, design-build contractors, maintenance contractors, operators, or equity investors for a P3 (e.g. providers of engineering and specialty construction or maintenance services; and/or lenders, legal or financial advisors, or other providers of professional services) are encouraged to participate in an RFI submission as part of a team that includes such Respondents. Please see Section 7.7 below entitled "Organizational Conflicts of Interest" for additional limitations on entities and individuals who will not be eligible to participate in an RFI submission.

1.4. RESPONDENT REGISTRATION

Companies or corporations requesting a copy of the RFI shall be required to register their interest in this project by submitting the following information to GrandPrairieP3@am.jll.com:

Company Name: _____
Contact Person: _____
Title of Contact Person: _____
Contact information: Address: _____

Telephone: _____
Email: _____

Registered respondents shall be provided with clarifications and amendments to this RFI in accordance with their stated contact information.

1.5. SUBMISSIONS, QUESTIONS, AND COMMENTS

Respondents shall submit the requested information in electronic form (PDF format). Please enable the Commenting or User Rights Feature on the pdf documents. Adobe Professional Version 7 or above may be used for this purpose.

Respondents are asked to comply with the page requirements stipulated in Appendix A (Questionnaire) and to restrict their submissions to a short letter of transmittal, together with the information specifically requested on the Questionnaire. Marketing materials are not required as part of a written response; however, Respondents wishing to express interest in being considered for future procurements may separately submit a letter confirming their

interest, together with general marketing materials summarizing their individual and collective experience and capabilities.

Respondent's submission shall be delivered to the following email address, in sufficient time so that WRID receives it no later than 4:00 p.m. Central Daylight Saving Time on **July 11, 2016**:

GrandPrairieP3@am.ill.com

The 'Firm/Consortium Name' and 'RFI P3-16-01' must be clearly indicated in the email subject line, as well as on the cover page of the PDF file.

Any questions concerning this RFI should be directed to the email address indicated above. Interpretation of this RFI or additional information will only be given by written amendment to this RFI from WRID. All clarifications and amendments to this RFI will be communicated by email to registered Respondents.

1.6. INDUSTRY FORUM

This RFI is intended, in part, to provide an opportunity to receive industry feedback prior to and during an Industry Forum and associated one-on-one meetings with industry participants. The Industry Forum is scheduled for **June 29, 2016** from 10:00 a.m. – 12:00 p.m. local time in Little Rock, Arkansas. At the Industry Forum, WRID intends to present the latest Project status. Space is limited so please RSVP to GrandPrairieP3@am.ill.com no later than June 24, 2016 and include in the RSVP the number of attendees from your company or consortium. Please try to limit your attendance to no more than four people, if possible.

Respondents are encouraged to request a one-on-one meeting to discuss their responses and provide further input to WRID in conjunction with the scheduled Industry Forum. One-on-one meetings will be held from 2:00 – 5:30 p.m. local time on June 29, 2016 and from 9:00 a.m. – 12:30 p.m. local time on June 30, 2016. There will be a limited number of available one-on-one meetings and Respondents must submit a request by 5:00 p.m. Central Daylight Saving Time on June 22, 2016 to GrandPrairieP3@am.ill.com. WRID intends to conduct as many one-on-one meetings as possible, time permitting; however, WRID does not guarantee a one-on-one meeting and will determine with whom to meet at its discretion. Respondents will be notified of acceptance of a one-on-one meeting by 5:00 p.m. Central Daylight Saving Time on June 24, 2016.

2. GRAND PRAIRIE IRRIGATION PROJECT OVERVIEW

2.1. PROJECT PURPOSE AND HISTORY

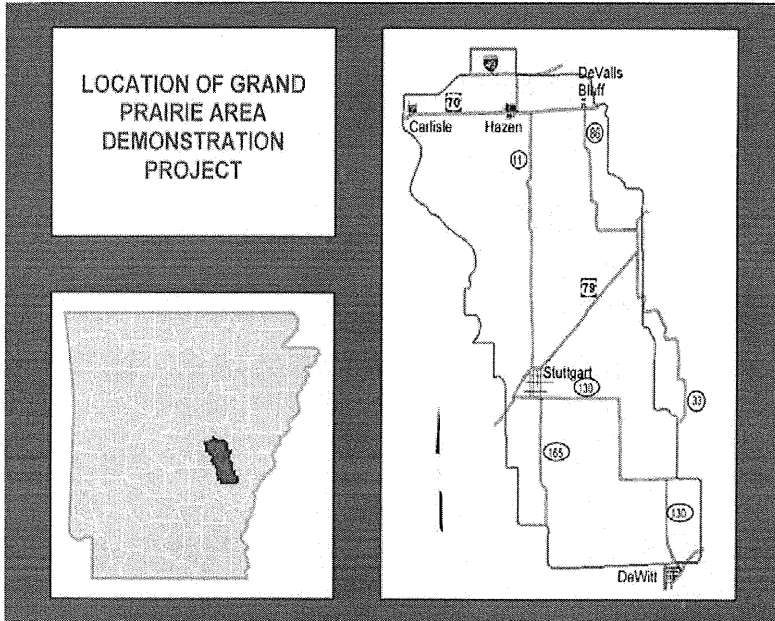
The Arkansas Grand Prairie Area is located in the east-central portion of the state, covering parts of Arkansas, Lonoke, Monroe, and Prairie Counties and is situated between the White and Arkansas Rivers. Rich in fish and wildlife, the Grand Prairie was once part of a 500,000 acre tall-grass prairie, but because it was uniquely suited for rice farming, all but about 650 acres was developed as farmland during the early part of the 20th century. Rice farming began in this area as a result of the ground's shallow clay pan, which enables its soil to hold water, and due to once abundant supplies of groundwater housed in a shallow aquifer.

Since 1904, the Grand Prairie area and its farmers relied heavily on the alluvial aquifer for crop irrigation and flooding rice fields, while the Sparta Aquifer served the region as the primary source for its

drinking water. According to USACE, by 1915, the alluvial aquifer's groundwater was being tapped at a rate that exceeded its ability to be replenished. The water table decline has never reversed. During the 1980's, the Sparta Aquifer was being tapped for agricultural, municipal, and commercial water use because the supply of water in the alluvial aquifer had shrunk and could no longer keep pace with the region's demand.

In the mid 1980's, the region's groundwater problem was pointed out in a project study by ANRC, formerly known as the Arkansas Soil and Water Conservation Commission. Officials from ANRC began recording signs that the region's groundwater resources were rapidly shrinking. Further studies conducted by multi-agency teams reached similar conclusions. Due to the lack of an adequate solution to the region's groundwater problems, the alluvial aquifer is now too small for commercial use, thus causing increasing pressure on the Sparta Aquifer, which is now being depleted at unsustainable rates.

In an attempt to address these problems, Section 2014 of the Federal Flood Control Act of 1950 authorized a water conservation and supply project for the Grand Prairie Region and the Bayou Meto Basin in eastern Arkansas. The project was put on hold until 1982 when renewed concerns for declining groundwater levels prompted federal legislation directing USACE to



study the feasibility of developing water conservation and a water supply project in eastern Arkansas.

As a result, USACE conducted the Eastern Arkansas Region Comprehensive Study, which identified five potential project areas in Arkansas: the Grand Prairie, the White River, the Little Red River, Bayou Meto, and areas in Cross, Craighead, Poinsett, Jackson, St. Francis, Lee, and Woodruff Counties. Due to a lack of sponsorship from local interests, this project was never funded and was subsequently deauthorized by the Water Resources Development Act of 1986. The USACE *Arkansas Region Comprehensive Study* was published in August 1990. In order to find and implement an effective solution to the depletion of groundwater resources, Congress authorized USACE in 1991 to develop the Grand Prairie Area Demonstration Project ("GPADP") with the help of ANRC, the Natural Resources Conservation Service ("NRCS") (a division of the U.S. Department of Agriculture ("USDA") that works to conserve natural resources on private lands) and WRID.



The Energy and Water Development Appropriations Act of 1992 directed USACE to continue the Eastern Arkansas Region Comprehensive Study and to select and develop an implementation plan for one area to serve as a demonstration project. The Grand Prairie Area was selected for the demonstration project and a general reevaluation was initiated with the development of an initial project management plan.

The purpose of the general reevaluation was to develop improvement plans that address all of the identified water resource problems and opportunities within the Grand Prairie project area. The reevaluation was conducted to evaluate and determine the optimum improvement plan for providing agricultural water supply and conservation measures, while incorporating water quality, fish and wildlife, recreation, and environmental protection/restoration measures. The culmination of the reevaluation was the USACE *General Reevaluation Report*, dated 1998. The report was issued as a complete decision document that provided a presentation of the study findings and results and described the detailed plan of improvement for the demonstration area. The report served as the basis for proceeding to the design and construction phases of the GPADP.

Upon completion, the GPADP is planned to consist of the construction of measures for agricultural water supply, ground water protection and conservation, and waterfowl management. The project will be comprised of a pumping station located on the White River, a network of new canals, pipelines and associated channel structures, on-farm features, and

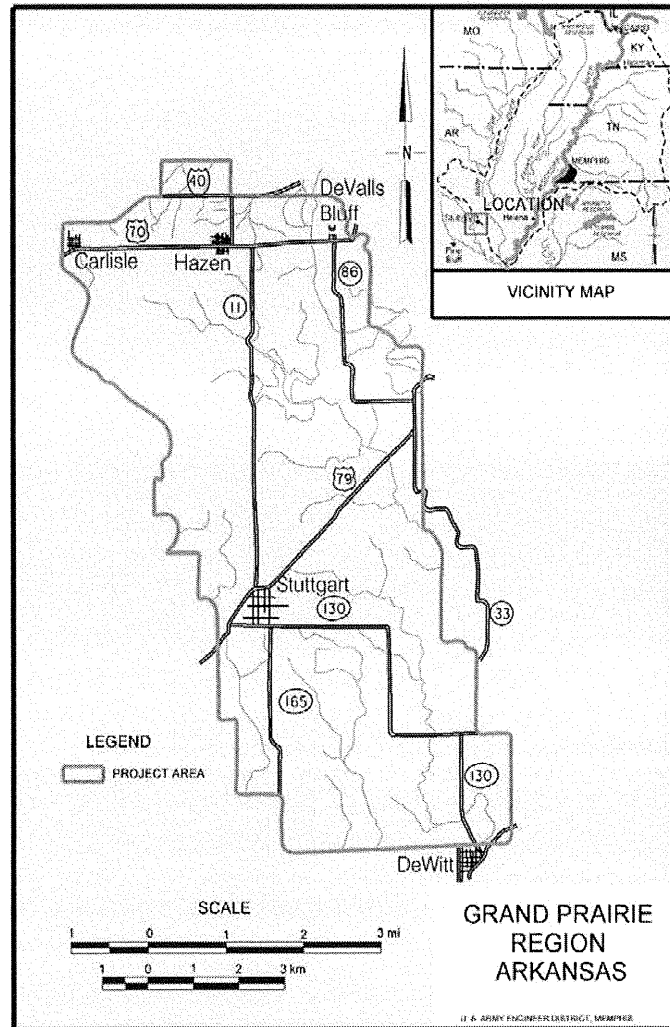
environmental restoration and enhancement measures. For purposes of this RFI, the Project excludes all on-farm features of GPADP.

2.2. PROJECT OVERVIEW

As authorized in §363 of Water Resources Development Act 1996, the project is located in eastern Arkansas and aims to provide water security for drinking water, industrial and agricultural use, as well as address depletion and resiliency of the alluvial and Sparta aquifers which underlie a seven state region.

GPADP is a comprehensive water management plan designed to protect and preserve the alluvial and Sparta aquifers. The project allows the continued irrigation of current agricultural crops and reduces further depletion of groundwater aquifers, while providing critical benefits for millions of waterfowl, which annually migrate through the region.

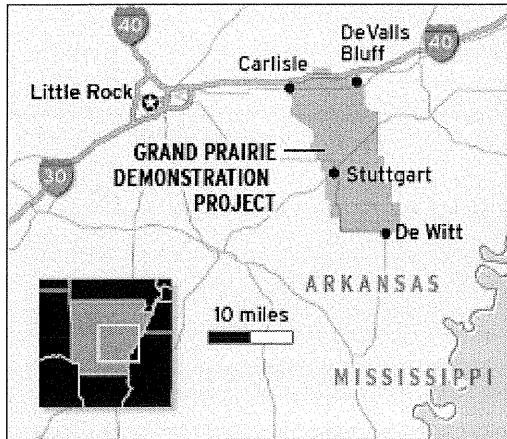
The project utilizes excess surface water and water from the White River to supplement a network of on-farm tail water recovery systems. This supplemental system will be used to fill on-farm reservoirs that store the water, which supplies at least a portion of each farmer's irrigation needs.



Project features include a major pumping station on the White River, conveyance channels to deliver to water depleted areas, and other environmental restoration and conservation measures.

The project will address water scarcity problems by providing a supplemental source of non-potable water for regional activities. Combined with conservation measures, this project offers water security for the region that will allow aquifers to be resilient and recharge.

The project is critical because current withdrawals are lowering the water table so that groundwater will no longer be a viable source of water for human consumption and industrial and agricultural activities. In many locations, the alluvial aquifer, used primarily for agricultural activities, is dry; while significant reductions to the Sparta Aquifer are beginning to negatively impact the region's economic growth and viability. Without a supplemental source of irrigation water, a majority of the irrigated project area would have to convert to non-irrigated cropland which could potentially have a material adverse effect on the nation's food security.



To date, the project has been developed under a traditional cost-share arrangement between the USACE (65%) and the State of Arkansas (35%), acting through ANRC. For purposes of this project, ANRC shares responsibilities with WRID.

On August 24, 1984, WRID was established under the terms of the Regional Water Distribution Act and acts amendatory thereof (Arkansas Code Annotated § 14-116-101, et seq.) by the Circuit Court of Prairie County, Arkansas. WRID is a legal entity established to acquire title to and use of water sources;

transport, distribute, and sell water for agricultural use; collect fees for water furnished by the district; borrow money; and to purchase, own, operate, manage, and use real property. According to a Memorandum of Agreement entered into between the State and WRID, WRID is to operate and maintain the project and will also hold all land ownership, easements, and rights of way in its name. In general terms, WRID is responsible for satisfying the requirements of the State set forth in the project Cooperation Agreement formalized between the USACE and the State.

According to USACE, to date, approximately **\$212 million** has been invested in the project, with \$137 million deriving from federal appropriations and the remaining \$75 million coming from the non-federal sponsors.

At recent federal funding levels, the project is not expected to be completed for decades, which has driven all parties to consider alternative finance and delivery options, such as a variety of public-private-partnership structures.

2.3. PROJECT STATUS & EXPECTED SCOPE OF WORK

To date, significant Project elements have been completed or are near completion, including the following:

1. The inlet canal is complete;
2. The pump station substructure (below ground) is complete;
3. The Pump Station Super structure (above ground and controls) are under contract and will be completed prior to any P3 contract entering into force;
4. Pipelines from the pump station to the regulating reservoir are completed or under contract and are not expected to be incorporated amongst Private Partner construction obligations in the P3; and
5. Planning and environmental permits are complete



About 50% of the on-farm storage and distribution work has been completed; however, this is **not** a project element contemplated within any potential P3, as the on-farm work is the direct responsibility of the farmers. On-farm work is being implemented with assistance from State tax credits, as well as from USDA NRCS and similar programs.

Pending project elements that could be included in the P3 include the following:¹

1. Electrical Substation at DeValls Bluff to power the pumping station;
2. Construction of two new bridges over Highway 70 and 63;
3. The water conveyance system, including the canals and pipelines that deliver water to the farms [this contemplates approximately 50 miles of canal and 290 miles of buried pipelines];
4. Gate and pump control systems; and
5. Metering and data management systems.

The Private Partner would assume operations and maintenance responsibility for the entire Project (except on-farm systems), including pump stations. The Private Partner would also likely be responsible for water sales, collection, and other administrative duties.

¹ Please note that it is probable that some of these works, such as the electrical substation and the bridges may be completed prior to the issuance of an RFP for this Project.



Although most planning elements have been approved, WRID welcomes value engineering and other innovative approaches aimed at reducing costs and optimizing performance. For instance, given the rural nature of the infrastructure, alternative design for storage and conveyance systems might be considered (such as the use of USDA NRCS standards). Likewise, WRID is open to exploring design options that might expand water conveyance options, such as on-demand delivery where possible. Innovation, including monetization opportunities, is one of the reasons that WRID is exploring P3 for

this Project.

WRID will retain sole responsibility for the acquisition of lands and/or rights of way.

2.4. WATER USAGE & SALES

In broad strokes, the Project boundary contemplates approximately 300,000 acres. Within this footprint, currently some 250,000 acres are used for agricultural purposes with some 95% of those acres irrigated annually. The following table summarizes current land usage and annual water needs for crops:

Crop	Acreage	Water needs (acre-feet)
Rice	85,000	212,500
Corn	25,000	50,000
Soybeans	140,000	175,000
	250,000	437,500

While on-farm capture and storage systems are estimated to deliver up to 35% of these needs, at present, farmers are forced to pump from aquifers to meet remaining water needs. Although pumping costs vary greatly depending on the depth of the well, current estimates are that irrigation costs from deep well sources may be costing some farmers over \$80 per acre-foot.

ANRC has issued WRID a non-riparian permit allowing it divert up to 560,000 acre-feet of water per year from the White River. The water is to be utilized for a) agricultural water supply, b) fish and wildlife habitat enhancement, c) wetland, prairie, and plant restoration, and d) ecological enhancement features within the Project area. The Private Partner would be granted these or similar rights during the term of any eventual P3 arrangement.

Once completed, the Project will be able to operate at a maximum capacity of about 1,600 cubic feet per second (“CFS”). This is the equivalent of 12,000 gallons per second, 720,000 gallons per minute or 2.2 acre feet per minute. Thus the Project could theoretically deliver about 130 acre feet per hour or about 3,000 acre feet per day at full flow.

Although significant, this capacity will not meet the peak demand for all acres, as it is impractical to try to meet demand instantaneously. The White River could not withstand that level of extraction. Instead, the Project was designed to reliably deliver approximately 2.5 gallons per minute per acre and rely on on-farm storage reservoirs to serve as storage to accommodate the irrigators’ peak demand while the distribution system functions over a longer period of time, including non-irrigation periods, to make up part of the difference. In other words, system reliability depends in great part on the on-farm storage, which serves as regulating reservoirs. The import system generally keeps the reservoirs full during the growing season.

The distribution system operates principally with consistent or relative constant pumping rates over specified periods of time (e.g. a week), rather than with a dynamic rate. Nevertheless, as certain farms cannot reasonably build a reservoir; their demand will need to be met through more dynamic methods (e.g. on-demand delivery), which the system has been planned to meet.

Recent market assessments suggest that demand levels for irrigated water by farmers would likely stabilize at between 300,000 – 350,000 acre-feet per year, depending on water price. This does not account for alternative uses, e.g. waterfowl enhancements.

2.5. PROJECT SCHEDULE

The following is a preliminary schedule if an innovative procurement is pursued.

Milestone	Date
Industry Day	June 29, 2016
Submission of RFI Responses	July 11, 2016
Publish RFQ	August 2016
Evaluation and Short Listing	October/November 2016
Launch RFP	December 2016
Contract Award/Commercial Close	March/April 2017
Financial Close	2 nd or 3 rd Quarter 2017

2.6. ADDITIONAL INFORMATION

Additional amendments or solicitation information regarding the Project will be communicated by email to registered respondents

3. TECHNICAL CONSIDERATIONS

3.1. ASSET OWNERSHIP

WRID will retain ownership of all capital assets contemplated in the Project.

3.2. DESIGN AND CONSTRUCTION APPROACH

The scope of the design-build services would include completing design, conducting utility relocations, and constructing the Project. WRID shall conduct right of way acquisitions and provide all necessary land, easements, rights of access, and parcels needed to complete the Project. Likewise, working through ANRC and USACE, WRID shall be responsible for National Environmental Policy Act ("NEPA") documentation and approvals, and may obtain certain other environmental approvals and permits as appropriate.

3.3. OPERATIONS & MAINTENANCE APPROACH

The scope of maintenance services will include capital maintenance for the totality of the Project, as well as routine and preventative maintenance and repair, including landscaping. The scope will also likely include responsibility for asset operations, including customer service, sales and administration.

3.4. SAFETY AND SECURITY

Safety and security are of prime importance. All elements of the Project must be designed, constructed, operated, and maintained in a manner that is consistent with this safety objective.

3.5. FUNDING & FINANCING

3.5.1. FUNDING AND REVENUES

Under a P3 arrangement, the remaining Project elements are expected to be financed under a non-recourse basis using a private or quasi-private debt and/or equity structure. Revenues generated from user payments and ancillary revenues generated by the assets will be the primary source of serving debt and equity returns. WRID anticipates allowing the use of existing Project assets such as the pump station, pipelines, and reservoir to the Private Partner at no cost.

3.5.2. PRIVATE FINANCING

WRID recognizes that access by the Private Partner to private activity bonds and federal credit assistance or loan programs may be helpful in lowering the cost of financing the Project under a P3 delivery approach that includes private financing. If WRID chooses this approach, it plans to reasonably assist proposers in undertaking finance plans that include private activity bonds and/or other loans and credit assistance that may be reasonably available for a project of this nature.

3.5.3. EXISTING WRID LIABILITIES

Under a P3 arrangement, it is not anticipated that a Private Partner would assume

responsibility for any pre-existing WRID debt.

4. ANTICIPATED PROJECT PROCUREMENT PROCESS

Should WRID decide to proceed with procurement for the Project, WRID intends to undertake a dual-stage procurement. WRID would first pre-qualify potential proposers through a Request for Qualifications ("RFQ") process. The RFQ would be followed by a Request for Proposals ("RFP"). Only those entities shortlisted by WRID through the RFQ process would receive an RFP.

The objective of the RFQ phase is to shortlist proposers that best demonstrate that they have the financial capacity, qualifications, and experience necessary to complete the Project.

The RFP will be issued to all shortlisted proposers and will include a complete project agreement. In addition, as part of the final RFP process, WRID will issue any changes to RFP documents by formal amendment to all shortlisted proposers.

The proposers will be required to make management, technical, and financial submissions that are compliant with and demonstrate full acceptance of project agreement terms.

A proposal bond or letter of credit may be required.

5. PUBLIC-PRIVATE PROJECT DELIVERY

5.1. LEGAL AUTHORITY

WRID is acting as the public authority for all purposes relating to this RFI and related procedures.

The procurement process will be implemented in accordance with WRID's policies and procedures and in compliance with applicable laws and regulations. WRID may procure and deliver the Project under its authority to engage in a broad variety of contracting structures, including, but not limited to, the following:

- (i) A design-build-maintain agreement;
- (ii) A design-build-finance-operate agreement;
- (iii) A design-build-operate-maintain agreement;
- (iv) A design-build-finance-operate-maintain agreement;
- (v) A concession providing for the Private Partner to design, build, operate, maintain, manage, or lease an eligible facility; and
- (vi) Any other project delivery method or agreement or combination of methods or agreements that the department determines will serve the public interest.

5.2. BENEFITS

WRID wishes to accelerate the delivery of the Project and believes that using a P3 delivery model may most effectively support realization of the benefits of acceleration.

The accelerated development of the Project will create significant benefits for WRID and the public in and around the Project by:

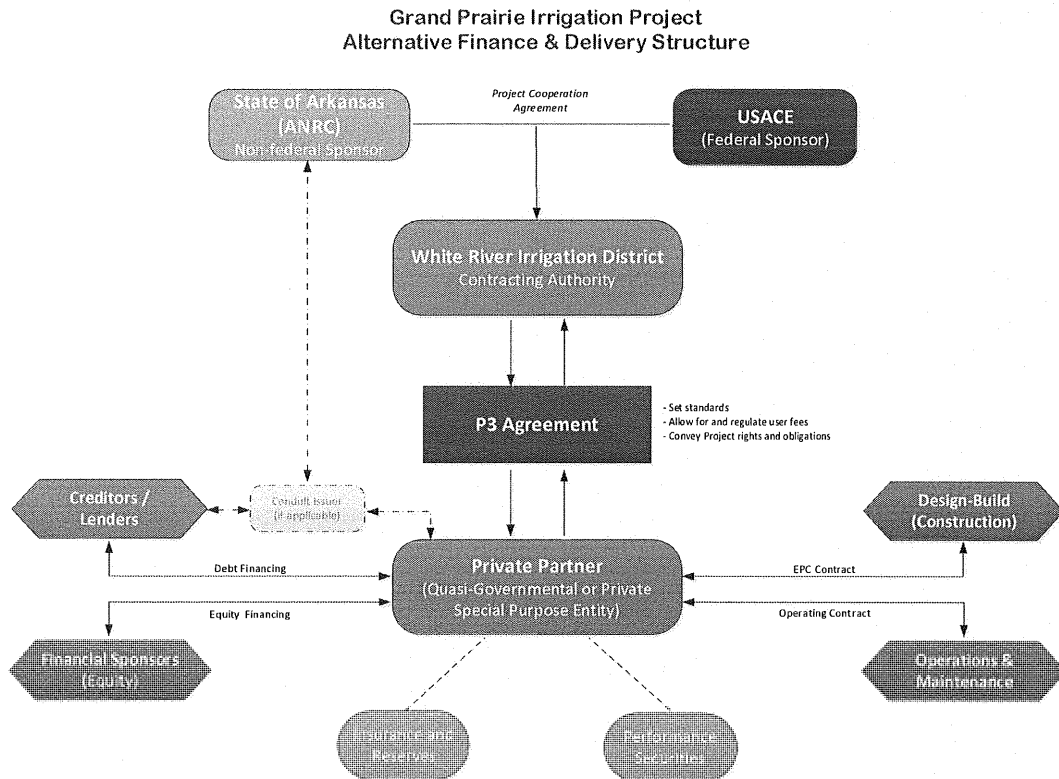
- (i) Providing a reliable, sustainable, and affordable source of non-potable water for regional activities, including farming, fish and wildlife habitat enhancement, wetland, prairie, and plan restoration, and ecological enhancement features;
- (ii) Enhancing water security;
- (iii) Boosting food security; and
- (iv) Supporting future economic growth in the region.

In addition, using a P3 delivery model will enable WRID to address a number of other key considerations for the Project:

- (i) Providing greater cost and schedule certainty for WRID over the long term;
- (ii) Promoting appropriate risk sharing (WRID is aware that delivery of a new irrigation system will involve managing risks that may be more efficiently managed by a Private Partner);
- (iii) Ensuring life-cycle asset management;
- (iv) Securing life-cycle efficiencies and cost-savings; and
- (v) Leveraging private sector innovation, management and financing.

5.3. ANTICIPATED TRANSACTION STRUCTURE

Although WRID is evaluating a variety of transaction structures that will result in accelerated project delivery and life-cycle efficiencies, it currently envisions the Project taking the form of a long-term DBFOM in line with the following:



Under this structure, USACE and ANRC remain committed to the Project, with USACE continuing to play a key role in issues such as permitting, NEPA, and any other Project-specific obligations set forth in the Project Collaboration Agreement. WRID would procure a qualified and experienced Private Partner to design-build-finance-operate-and-maintain the Project for a specified period (i.e., 50 years). The P3 Agreement would set forth the performance standards, as well as the obligations and rights of the parties to the agreement.

After completion of the construction works, the Private Partner would be compensated from revenue generated by the Project. User payments and other project revenues (including ancillary revenues due to alternative commercialization opportunities) would be available to the Private Partner to compensate both capital and operating and maintenance costs, with ownership of the assets remaining with WRID. The framework for establishing and regulating water prices will be set out in the P3 Agreement.

Under this formulation there are a number of variations to consider, such as the tax treatment of the Private Partner; but in general, this structure is reflective of a utility operator and thus readily understood by the market. Key transaction risk elements may include:

- Capital cost;
- Construction timeline;

- Water pricing; and
- Water usage and demand projections.

This transaction structure has not been formalized; however, responses to this RFI will help inform WRID's decision on which method to pursue if the Project moves forward. WRID is likewise evaluating a range of tools aimed at enhancing the financial viability of the Project, such as minimum revenue guarantees, water usage subsidies, etc.

6. CONDITIONS FOR THE SUBMISSION OF INFORMATION

6.1. CHANGES TO THIS RFI

At any time in its sole discretion, WRID may, by written amendment to this RFI, modify, amend, cancel, and/or reissue this RFI. If an amendment is issued prior to the date information is due, it will be made available to all registered Respondents.

6.2. INFORMATION PREPARATION COSTS

WRID shall not be liable for any costs incurred by any Respondent in the preparation, submission, presentation, or revision of its information and response, or in any other aspect of the Respondent's pre-information submission activity. All such costs shall be borne solely by the Respondent. In no event shall WRID be bound by, or liable for, any obligations with respect to the Project until such time as WRID authorizes and executes a written agreement, and then only to the extent set forth in such agreement.

6.3. CLARIFICATION OF RESPONSES

WRID reserves the option, at its sole discretion, to contact a Respondent to seek clarification regarding information contained in its response, but shall have no obligation to do so. In submitting its response, a Respondent should not assume that it will be provided an opportunity to subsequently clarify or otherwise discuss any feature thereof.

6.4. DISCLOSURE OF INFORMATION CONTENTS

All materials and information submitted in response to this RFI, and any materials delivered to WRID during one-on-one meetings, are subject to the Arkansas Freedom of Information Act (Act 93 of 1967), and any other laws, regulations and case decisions applicable to the disclosure of materials and information submitted under this RFI.

6.5. OWNERSHIP OF SUBMITTED MATERIALS

All materials and information submitted in response to or in connection with this RFI shall become the property of WRID and will not be returned to the submitting parties. WRID shall have the right to use such materials and information and ideas set forth therein without restriction.

6.6. RIGHTS OF WRID

WRID reserves to itself all rights available to it under applicable law, including but not limited to the unqualified right, at any time and in its sole discretion, to change or modify this RFI, to reject any and all information, to seek clarification of information, to request additional information, and to undertake communications with one or more Respondents or others who, at any time subsequent to the deadline for submissions to this RFI, may express an interest in the subject matter hereof.

No Respondent or any other person or entity shall have any rights against WRID arising from the contents of this RFI, the receipt of information, or the incorporation in or rejection of information contained in any response or in any other document. WRID makes no representations, warranties, or guarantees that the information contained herein or on the project website, or in any amendment hereto or thereto, is accurate, complete, or timely or that such information accurately represents the conditions that would be encountered during the performance of any subsequent contract issued from a separate procurement. The furnishing of such information by WRID shall not create or be deemed to create any obligation or liability upon it for any reason whatsoever; and each Respondent, by submitting its information, expressly agrees that it has not relied upon the foregoing information, and that it shall not hold WRID liable or responsible therefore in any manner whatsoever.

6.7. ORGANIZATIONAL CONFLICTS OF INTEREST

Respondents are advised that the following entities and individuals are precluded from submitting a response to this RFI and from participating on a Respondent's team in the event of a future solicitation, unless otherwise authorized by WRID:

- (i) Any firm that has been contracted by WRID to provide expert professional services in connection with this P3 initiative, including, but not limited to Jones Lang LaSalle Americas (JLL) and the Causey Law Firm;
- (ii) Any entity that is a parent, affiliate, or subsidiary of any of the foregoing entities, or that is under common ownership, control, or management with any of the foregoing entities; and
- (iii) Any employee or former employee of any of the foregoing entities who was involved with this P3 initiative while serving as an employee of such entity.

APPENDIX A – QUESTIONNAIRE

Respondents are invited to return the following questionnaire together with a 1-2 page cover letter to WRID. Total page count for the questionnaire should not exceed forty (40) pages, utilizing 12pt Arial Narrow type font, inclusive of the cover letter. Please follow the format below.

I. GENERAL INFORMATION

- 1) Please briefly provide the following descriptive information for the Respondent.
 - a) Name of Respondent and its team members (if any); and
 - b) Describe principal business for Respondent and its team members (if any)
- 2) What potential interest do you represent in relation to the Project (e.g. lead developer, design-build contractor, equity investor, or other)?

II. INNOVATIVE PROJECT DELIVERY

- 3) WRID is looking for ideas and views on how to optimize the delivery of the Project using alternative delivery methods, such as DBFOM. Respondents are referred to WRID's anticipated transaction structure contained in Section 5.3 above.
 - a) Do you believe the Project lends itself to an innovative delivery method, like DBFOM or another similar structure? Why or why not?
 - b) Would you be willing and able to assume demand risk under a user-pay structure? What, if any, guarantee structure would be necessary to secure the financing?
 - c) Do you believe the Project better lends itself to effective use of a DBFOM availability payment structure? Why or why not?
- 4) If WRID pursues a user payment structure, how would this affect your willingness or ability to propose on the Project? What modifications would make the opportunity more attractive or result in greater value for WRID?
- 5) What is the appropriate scope of operations and maintenance responsibility to delegate to the Private Partner? Are there certain portions of the Project, or certain maintenance activities that are more appropriate to be retained by WRID? Please explain.
- 6) What do you consider to be the optimal length of the O&M period under a user-pay DBFOM approach? Please explain.
- 7) Do you have any views or opinions with regard to the potential suitability of tax-exempt structures or the use of tax exempt financing, such as Private Activity Bonds?
- 8) What do you deem the appropriate roles of the State and USACE for this Project?

III. PROJECT SCOPE AND PHASING

- 9) What do you believe would be the optimal packaging and phasing of segments for design and construction? In particular, which segments should be prioritized and which may present greater challenges and should be phased for later construction? Please explain.
- 10) Are there any Project elements that you would prefer to be removed from the scope and completed prior to the entry into force of the P3 agreement?
- 11) How do you propose WRID addresses any transfer risks associated with existing infrastructure (particularly the Pump Station)?

IV. SCHEDULE

- 12) In your estimation, how many months would be required to execute the water conveyance system, including the approximately 50 miles of canals and 290 miles of buried pipelines that deliver water to the farms?
- 13) What in your experience are the critical path items for the Project? What do you envision to be the key schedule risks?

V. DESIGN

- 14) Given the location and nature of the Project, where do you foresee significant opportunities to employ innovative design, construction methods, maintenance regimes, and/or materials to acquire efficiencies in cost and schedule?
- 15) What is your experience working with alternative standards on USACE projects? Do you have past experience employing USDA NRCS standards for water storage and/or conveyance systems?

VI. ANCILLARY REVENUES

- 16) Given the size and scope of the Project footprint, do you envision opportunities for ancillary revenues generated from innovative uses of Project assets, such as the installation of renewable energy? Please explain.
- 17) What rights should be contemplated in the RFP and Contract to enable the Private Partner to maximize ancillary revenues?

VII. FINANCING

- 18) Do you believe that private sector debt and/or equity could be made available for a project of this nature?
- 19) If WRID pursues a DBFOM user payment structure, what sort of guarantees or risk mitigation strategies would you recommend?
- 20) If WRID were to use an availability payment structure, please provide your comments and concerns on the sources of funding and availability payments.

- 21) What would you recommend to achieve a level of comfort with respect to financial risk?
- 22) What do you consider to be the main risks to timely achievement of financial close under a DBFOM user payment structure?

VIII. PROCUREMENT

- 23) Do you have any comments or recommendations regarding a potential procurement process based on your experience with other P3 projects? What are key lessons learned or case studies that WRID should consider to help ensure a successful outcome?
- 24) What do you think is a reasonable time period for you to prepare a proposal in response to an RFP for a DBFOM scope of work? List any assumptions that you are making in stating this timeframe.
- 25) Indicate the maximum length of time (days) that you would be willing to commit to the terms of your proposal. Under what circumstances (e.g., indexation, steel pre-purchase) would you be willing to commit to a longer timeframe?

IX. RISK ASSESSMENT, ALLOCATION, AND MITIGATION

- 26) Recommend specific steps that WRID could take to motivate innovation and reduce contingency for Project risks – either through an alternative technical concept mechanism in the procurement process, risk/reward sharing mechanisms in the project agreement, or other mechanisms you have utilized on similar projects.
- 27) What do you see as the primary risks associated with this Project? What risk mitigation strategies would you recommend that WRID, ANRC, and USACE take to address those specific risks?

X. OTHER

- 28) Please provide any specific suggestions and refinements to the allocation of responsibilities that you believe would result in best value for WRID.
- 29) Please provide any other comments or suggestions regarding this Project.

Proposed Schedule of Regulation Changes before the APC&EC

Date: June 24, 2016

<u>Reg.#</u>	<u>Description</u>	<u>Initiate Rulemaking</u>	<u>Public Comment Closes</u>	<u>Legislative Committee</u>	<u>Final Adoption</u>
2	Regulation Establishing Water Quality Standards for Surface Waters of the State of Arkansas	October 2016	December 2016	May 2017	June 2017
	<ul style="list-style-type: none"> • 2017 Triennial Review as required by Section 303(c) of the Clean Water Act, as codified at 33 U.S.C. § 1313(c) and 40 C.F.R. § 131.20. 				
6	Regulations For State Administration Of The National Pollutant Discharge Elimination System (NPDES), effective October 24, 2014.	July 2016	September 2016	October 2016	October 2016
	<ul style="list-style-type: none"> • Act 575 of 2015 and Act 94 of 2015 were enacted by the Arkansas General Assembly and require revisions to APC&EC Reg. 6.205. • Incorporate federal updates, including: <ul style="list-style-type: none"> ○ 40 C.F.R. §§ 122.21(e)(3), 122.44(i)(1)(iv), and 136.1(c), regarding sufficiently sensitive test methods; ○ 125 Subparts I and J regarding the cooling water intake structure requirements; ○ 40 C.F.R. § 423 Steam Electric Power Generating; ○ Various sections in Parts 122 and 123 and adding Part 127 regarding the reporting requirements; and ○ Removal of 40 CFR 401.17 as an exemption to match federal regulation requirements. • Reg.6.202 (A) and Reg. 6.202(B) to provide that a construction application is not required for general permits that authorize construction. • Clarification or correction of various sections of Reg. 6.202(B). • Clarification of Reg. 6.202(D). • Clarification of Reg. 6.204 (B). • Reg.6.301 (B) has been modified to delete “into an aquifer” for accuracy. • Reg. 6.301 (C) (2) (a) has been revised to add “or BOD5” to CBOD5 in case no ammonia is necessary in the permit. • Reg. 6.301 (C) (2) (e) has been revised for clarification to include the word “monthly average” since the permit limits are monthly average. • Reg. 6.401 (A) (3) has been added to make no limits included in a permit less stringent than limits equivalent to the secondary treatment system. • Reg. 6.401 (B) (1) and (C) (2) have been revised to add “or BOD5” to CBOD5 in case no ammonia is necessary in the permit. • Reg. 6.401 (B)(2) has been revised to replace “specific species” with “Aquatic Biota” for more accuracy. 				

Proposed Schedule of Regulation Changes before the APC&EC

Date: June 24, 2016

<u>Reg.#</u>	<u>Description</u>	<u>Initiate Rulemaking</u>	<u>Public Comment Closes</u>	<u>Legislative Committee</u>	<u>Final Adoption</u>
	<ul style="list-style-type: none"> • Reg. 6.401 (E) (1), (F) (1), and (G) (1) have been reworded. • Revise the title of Chapter six. • Clarify permit by rule requirements. 				
8	<p>Administrative procedures, effective February 28, 2009.</p> <ul style="list-style-type: none"> • Amend to include the ability of the Commission/Administrative Law Judge to issue warning order to address ARCP 4(F). • Change time to respond to NOV's to 30 days (consistent with ARCP). • Amend for consistency with changes to the laws enacted by the General Assembly: <ul style="list-style-type: none"> ○ Add notification for rulemaking by electronic mail to streamline electronic service under Reg.8.802 (Act 195 of 2011); ○ Remove the requirement to submit a social security number in disclosure statements under Reg.8.204 (Act 222 of 2011); ○ Amend provisions governing public notice/participation and issuance of general permits under Chapter 2 (Act 731 of 2011); ○ Amend Reg.8.212(A) concerning permit transfer (Act 402 of 2013); ○ Amend the Rulemaking Chapter and Appendix A as necessary to reflect the repeal of Ark. Code Ann. §§ 25-15-301 to 25-15-303 concerning the effect on small businesses and economic impact statements (Act 759 of 2013); ○ Amend provisions that allow the transfer of an appeal from Circuit Court to the Court of Appeals under Reg.8.216 concerning Interim Authority and Temporary Variances (Act 1021 of 2013); and ○ Change the title of the Administrative Hearing Officer to an Administrative Law Judge (Act 838 of 2015). • Amend license revocation provisions. • Add procedures for requests to maintain trade secrets as confidential materials. • Clarify general permits and individual permits issued by ADEQ. • Add a definition for permit by rule. • Clarify noncompliance determinations. • Require additional website publication of information by ADEQ for public convenience. • Make minor stylistic, formatting, and grammatical revisions. 	August 2016	October 2016	December 2016	January 2017

Proposed Schedule of Regulation Changes before the APC&EC

Date: June 24, 2016

<u>Reg.#</u>	<u>Description</u>	<u>Initiate Rulemaking</u>	<u>Public Comment Closes</u>	<u>Legislative Committee</u>	<u>Final Adoption</u>
9	Permit Fee Regulation, effective July 9, 2012	September 2016	November 2016	December 2016	January 2017
	<ul style="list-style-type: none"> • No increase in water permit fees will be charged to minor municipalities for toxics if added to permit based solely on a TMDL. • Deletion of four General permits involving fees. 				
11	Regulations for Solid Waste Disposal Fees; Landfill Post-Closure Trust Fund; Solid Waste Management and Recycling Fund Distribution; and Recycling Grant Programs, effective June 10, 2014	July 2016	September 2016	October 2016	December 2016
	<ul style="list-style-type: none"> • Act 1037 of 2015 - Closure of Waste Tire Processing Facilities. • Add language to include fees for electronic waste pursuant to Ark. Code Ann. § 8-6-612. • Add language to allow post closure trust funds to close waste tire facilities. • Amend Fee Schedule - Reg.11.205. • Act 1176 of 2015 - Change "grants" to "distributions" for electronic waste. 				
14	Regulations and Administrative Procedures for the Waste Tire Program, effective August 18, 2012.	December 2016	February 2017	May 2017	June 2017
	<ul style="list-style-type: none"> • Act 840 of 2015 - Waste Tire Program Clarification: Limits the number of applications required for a waste tire grant. • Repeals portions of the regulation that conflict with Act 840 of 2015. • Ensures prompt disbursements of grant funds. • Exempts articles of beneficial use from the definition of waste tire. 				
16	Regulation of the State of Arkansas for Waste Reduction, Reuse, or Recycling Tax Credits, effective August 15, 2004.	August 2016	October 2016	November 2016	December 2016
	<ul style="list-style-type: none"> • Act 862 of 2015 and Act 692 of 2015 - Steel Production Recycling Tax Credits. 				
19	Regulations of the Arkansas Plan of Implementation for Air Pollution Control, effective March 14, 2016.	April 2016	June 20, 2016	September 2016	October 2016
	<ul style="list-style-type: none"> • Revisions to Reg. 19.602 and Reg. 19.1004(H) to comply with EPA's Startup, Shutdown, and Malfunction SIP Call: changes complete affirmative defense provisions to ADEQ enforcement discretion provisions and includes rescission clauses in the event that the SSM SIP Call be stayed, vacated, withdrawn. 				

Proposed Schedule of Regulation Changes before the APC&EC

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	<ul style="list-style-type: none"> • Repeal of Chapter 14, CAIR NOx Ozone Season Trading Program General Provisions because the CAIR program is no longer in effect. • Addition of “Direct PM2.5 emissions” definition. • Addition of t-butyl acetate to the list of compounds determined to have negligible photochemical reactivity in the definition of “Volatile Organic Compound.” • Revisions for clarification and correction of typographic errors at Reg. 19.405(B)(4), Reg. 19.407(C)(2), and Reg. 19.601. 				
19	Regulations of the Arkansas Plan of Implementation for Air Pollution Control, effective March 14, 2016.	July 2016	September 2016	October 2016	November 2016
	<ul style="list-style-type: none"> • Revisions to align Arkansas’s Green House Gas (GHG) requirements with the Federal GHG permitting requirements by removing the Federal regulations related to Greenhouse Gases that were vacated by the Court of Appeals for the District of Columbia Circuit Court on April 10, 2015. • Amendments to the list of 111(d) facilities in Chapter 8 to reflect name changes and changes in the operational status of certain facilities. • Revisions to correct typographical errors in the definition Volatile Organic Compounds and clarify language in Reg. 19.407(C)(3) and 19.904(G)(1). 				
22	Solid Waste Management Rules, effective April 26, 2008.	August 2016	October 2016	November 2016	December 2016
	<ul style="list-style-type: none"> • Federal Coal Combustion Residual Rules. 				
26	Regulations of the Arkansas Operating Air Permit Program	July 2016	September 2016	October 2016	November 2016
	<ul style="list-style-type: none"> • Revisions to align Arkansas’s Green House Gas (GHG) requirements with the Federal GHG permitting requirements by removing the Federal regulations related to Greenhouse Gases that were vacated by the Court of Appeals for the District of Columbia Circuit Court on April 10, 2015. 				

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27	Licensing of Operators of Solid Waste Management Facilities and Illegal Dumps Control Officers, effective April 13, 2006. Effective April 26, 2008	April 2016	June 22, 2016	July 2016	August 2016
<ul style="list-style-type: none"> • Act 937 of 2015. • Reg.27.201 allowing Director to grant a written waiver from the licensing mandate and to withdraw a written waiver for just cause. 					