



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF WATER

DECISION MEMORANDUM

SUBJECT: Availability-Based Project Waiver of American Iron and Steel Requirements for Seven Triple Offset Butterfly Valves for the City of Santa Cruz, CA Newell Creek Inlet/Outlet Replacement Project
Waiver Number 09-DW-0009

FROM: Jennifer L. McLain, Director
Office of Ground Water and Drinking Water

Decision: The U.S. Environmental Protection Agency (EPA) is hereby granting an availability-based project-specific waiver pursuant to the American Iron and Steel (AIS) requirements to the city of Santa Cruz, California, for the purchase of seven triple offset butterfly valves (one 36-inch, four 30-inch, one 10-inch and one 8-inch) for the Newell Creek Inlet/Outlet Replacement Project. This waiver permits the use of the seven triple offset butterfly valves because no known domestic manufacturers produce a product that meets the project's technical specifications. This project-specific waiver applies only to the use of the specified product for the referenced project funded by the Drinking Water State Revolving Fund (DWSRF). Any other project funded by either the Drinking Water or Clean Water State Revolving Fund (SRF), or the Water Infrastructure Finance and Innovation Act that wishes to use the same product must request a separate waiver based on the specific project circumstances.

Rationale: The AIS provision requires DWSRF assistance recipients to use specific domestic iron and steel products if the project is funded through an SRF assistance agreement unless EPA determines that it is necessary to waive this requirement. EPA has the authority to issue waivers in accordance with section 1452(a)(4)(C)(ii) of the Safe Drinking Water Act. The provision states in part: "[the requirements] shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency...finds that...iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality."

Background of Waiver Request: The project is located at the Loch Lomond Reservoir, which receives its influent water from the Newell Creek. This reservoir is the only surface water source for the City's drinking water system. Under some conditions, the reservoir is the only source of water available to meet the needs of the City's customers. The Newell Creek inlet/outlet system was constructed in 1961 and has multiple identified deficiencies. To continue to use the reservoir, the City determined that replacement of the inlet/outlet system was necessary. The

project consists of a new intake structure including three new inlets within the reservoir, a new tunnel through the dam's west abutment containing a 48-inch pipeline, a new outlet structure connecting the new Newell Creek Pipeline with the existing Newell Creek Pipeline, and replacement of a section of the Newell Creek conveyance pipeline used to convey water to and from the reservoir.

The triple offset butterfly valves will be critical for emergency use. Some of the valves will be submerged in the reservoir at depths ranging from 53 to 103 feet below the surface, making inspection and maintenance difficult and expensive because divers would be required. For these reasons the City finds it important to install robust valves with minimal maintenance requirements. The triple offset butterfly valves specified are a more resilient product than other valves considered and will require less maintenance due to their design, which minimizes contact between components and has zero leakage.

The city of Santa Cruz conducted research to find a domestic manufacturer of 36-inch, 30-inch, 10-inch, and 8-inch triple offset butterfly valves and provided information to EPA demonstrating that no manufacturers produce these valves domestically.

Assessment of Waiver Request: EPA conducted market research on the supply and availability of 36-inch, 30-inch, 10-inch, and 8-inch triple offset butterfly valves and concluded that there are no domestic manufacturers of these products that meet the project's technical specifications. Per statutory requirement, the waiver request was posted on EPA's AIS website for the mandatory 15-day public comment period, and the Agency received no public comments.

Finding: EPA is granting an availability-based waiver from the AIS requirements to the city of Santa Cruz, California, for the Newell Creek Inlet/Outlet Replacement Project with respect to one 36-inch, four 30-inch, one 10-inch and one 8-inch triple offset butterfly valves. This waiver permits the purchase of these seven triple offset butterfly valves using DWSRF funds as documented in the state of California's waiver request submittal on behalf of the assistance recipient, dated January 27, 2021.

Legal Authority: Legal authority for the AIS requirements for DWSRF projects is included under the Safe Drinking Water Act, under the authority of section 1452(a)(4).

If you have questions concerning the contents of this memorandum, please contact Jorge Medrano, Environmental Engineer, Drinking Water Protection Division, at medrano.jorge@epa.gov or (202) 564-1968.