

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

OFFICE OF WATER

## **DECISION MEMORANDUM**

**SUBJECT:** Timing-Based Availability Waiver of American Iron and Steel Requirements to the City

of Reno, Nevada for Butterfly Valves

**FROM:** Andrew D. Sawyers, Director

Office of Wastewater Management

<u>Decision</u>: The U.S. Environmental Protection Agency (EPA) is hereby granting a timing based availability waiver to the "American Iron and Steel" (AIS) requirements of the Clean Water Act Section 608 under the authority of Section 608(c)(2) to the City of Reno, Nevada (Applicant) for 12-inch to 24-inch butterfly valves. This waiver permits the use of these valves, produced outside the United States, in the Applicant's Reno-Stead Water Reclamation Facility 4MGD Expansion Project, because no domestic manufacturers produce alternatives that meet the project's technical specifications and within the time needed to complete the project without significant delay.

This waiver applies only to the proposed project funded by the Clean Water State Revolving Fund (CWSRF). Any other entity with projects funded by either the CWSRF, the Drinking Water State Revolving Fund, or the Water Infrastructure Finance and Innovation Act that wishes to use the same products must apply for a separate waiver.

<u>Rationale</u>: According to Section 608 of the Clean Water Act, CWSRF assistance recipients must use specific domestic iron and steel products that are produced in the United States if the project is funded through the SRFs. The EPA has the authority to determine whether it is necessary to waive this requirement based on certain circumstances set forth in Section 608(c)(2) of the Clean Water Act. The provision states that, "[the requirements] shall not apply in any case or category of cases in which the Administrator [of the Environmental Protection Agency] finds that – . . . (2) 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 Applicant provided information to EPA asserting that there are no manufacturers producing 12-inch to 24-inch Class 150 AWWA C504 butterfly valves, in sufficient and reasonably available quantities, of a satisfactory quality and in the time needed to complete the project. These butterfly valves are necessary for the modification and upgrades of the existing wastewater treatment system headworks that include the biofilter, aeration basin, construction of new reactor basins, secondary clarifiers, scum pump station, RAS pump station, filter feed pump station, tertiary filters, UV disinfection, and effluent storage tank.

The Reno-Stead Water Reclamation Facility 4MGD Expansion Project is being constructed in Reno-Stead, Nevada to provide modifications and upgrades for the City of Reno's wastewater treatment plant. The Applicant placed an order for domestic butterfly valves on May 3, 2021, from a manufacturer of 12-inch to 24-inch butterfly valves. The manufacturer gave the Applicant initial shipping dates of August/September of 2021 for these valves. In October 2021, the manufacturer communicated delays until March of 2022, citing supply chain issues. In March, the delivery was once again delayed to May of 2022. The delivery date has now been delayed for thirteen months. When delays began, the Applicant reached out to other domestic manufacturers and was told that their current lead times were 24-28 weeks. The extended lead time for delivery of the domestic products places an undue, multiple month delay on the project.

Assessment of Waiver Request: EPA conducted market research and a public comment period on the supply and availability of the valves. The basis of evaluation included thorough review of the waiver request submission, examination of domestic manufacturer catalogs or other technical data and marketing materials, personal communication with domestic manufacturers, inquiries of state staff, and outreach to contractors and engineers with expertise and familiarity with the project. For market research, EPA contacted 13 manufacturers and suppliers of butterfly valves for water and wastewater applications. Four (4) responded indicating that they had potential domestic alternatives; however, two of the four indicated that their products do not meet the technical specifications of the project and two cited lead times ranging from 14 to 26 weeks. EPA received one public comment to the waiver request from a manufacturer who asserted they could produce the valves in 10 weeks. However, based on EPA's initial product research and additional follow-up after the public comment period, EPA confirmed that the manufacturer's anticipated lead times were 18-20 weeks. Therefore, EPA agrees with the assessment that no domestic manufacturers produce available products meeting the project's technical specifications in the time necessary to complete the project.

<u>Finding</u>: Since the Applicant established a proper basis for specifying these particular products for this project, and because EPA substantiated the Applicant's claim that these products are not available from a manufacturer in the United States, in the time needed for installation, EPA is granting a timing-based availability waiver from the AIS requirements to the City of Reno, Nevada for the Reno-Stead Water Reclamation Facility 4MGD Expansion Project. This waiver permits the purchase of the specified butterfly valves, as documented in the State of Nevada's waiver request submittal on behalf of the Applicant, dated June 13, 2022.

If you have any questions concerning the contents of this memorandum, please contact Timothy Connor, Chemical Engineer, Water Infrastructure Division, at connor.timothy@epa.gov or (202) 566-1059.