

DECISION MEMORANDUM

SUBJECT: Project Waiver of American Iron and Steel Requirements to Soquel Creek Water District

in Soquel, California for Combination Air Release Valves

FROM: Andrew D. Sawyers, Director

Office of Wastewater Management

<u>Decision</u>: The U.S. Environmental Protection Agency (EPA) is hereby granting a project waiver pursuant to the "American Iron and Steel" (AIS) requirements of 33 U.S.C. § 3914 under the authority of 33 U.S.C. § 3914(c)(2) to the Soquel Creek Water District in Soquel, California (Applicant) for Combination Air Release Valves (valves). This waiver permits the use of this product, produced outside the United States, and in the specific size requested, at the Pure Water Soquel project because no known manufacturers produce Combination Air Release Valves that meet the project's technical specifications or schedule.

This is a product-specific waiver and only applies to the use of the specified products for the proposed project funded by the Water Infrastructure Finance and Innovation Act (WIFIA). Any other jurisdiction with projects funded by either WIFIA or the State Revolving Funds (SRFs) that wishes to use the same products must apply for a separate waiver.

Rationale: According to WIFIA at 33 U.S.C. § 3914, WIFIA loan recipients must use specific domestic iron and steel products that are produced in the United States. The EPA has the authority to determine whether it is necessary to waive this requirement based on certain circumstances set forth in 33 U.S.C. § 3914(c)(2). The applicable 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 . . . iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality."

<u>Background of Waiver Request</u>: The Applicant provided information to the EPA asserting that there are no domestic manufacturers producing Combination Air Release Valves in sufficient and reasonably available quantities and of a satisfactory quality. These valves have strict dimensional specifications because they are intended to release gas from the project's reverse osmosis concentrate and secondary wastewater pipes with minimal surface interruption to easements. The Applicant contacted three manufacturers, each of whom could produce the requested valves; however, the lead times for these manufacturers ranged from 16-32 weeks.

<u>Assessment of Waiver Request</u>: The EPA conducted market research and a public comment period on the supply and availability of these 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, the EPA contacted thirteen manufacturers or suppliers, and five responded. Two responders indicated they could not provide the valves, two manufacturers indicated they could but had lead times of 16 or more weeks, and one manufacturer said they could provide the valves within four weeks.

The EPA also posted the waiver request for a 15-day public comment period. The EPA received one public comment from the manufacturer that stated it could provide the valves in four weeks, which included the specifications for those valves. However, the specifications did not meet the project's specifications because they were for drinking water systems, not wastewater systems. The EPA facilitated communication between the Applicant and the potential manufacturer; however, after close examination of the project's needs, the Applicant determined that the manufacturer's valve would not meet their project's dimensional requirements. Although two other manufacturers indicated they could produce the valves, their lead times were 16 or more weeks, which would unreasonably delay the completion of the project. Therefore, the EPA agrees with the assessment that no domestic manufacturers produce Combination Air Release Valves meeting the project's specifications or schedule.

<u>Finding</u>: Since the Applicant established a proper basis to specify the Combination Air Release Valves required for this project, and because the EPA substantiated the Applicant's claim that these products are not produced or readily available from a manufacturer in the United States, the Soquel Creek Water District in Soquel, California is hereby granted a waiver from the AIS requirements for the Pure Water Soquel project. This waiver permits the purchase of the specified products as documented in the Applicant's waiver request submittal to WIFIA, dated November 16, 2023.

If you have any questions concerning the contents of this memorandum, please contact Kavita Mak, Environmental Engineer, WIFIA Program, at Mak.Kavita@epa.gov.