



OFFICE OF WASTEWATER MANAGEMENT

WASHINGTON, D.C. 20460

DECISION MEMORANDUM

SUBJECT: Project Waiver of American Iron and Steel Requirements to Monterey One Water in Monterey, California for 8-, 10-, and 12-Inch SST Butterfly Valves

FROM: Andrew D. Sawyers, Director
Office of Wastewater Management

Decision: 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 and 33 U.S.C. § 1388 under the authority of 33 U.S.C. § 3914(c)(2) and 33 U.S.C. § 1388(c)(2) to the Monterey One Water in Monterey, California (Applicant) for 8-, 10-, and 12-Inch SST Butterfly 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 Monterey Groundwater Replenishment Project because no known domestic manufacturers produce AIS-compliant valves in sufficient and reasonably available quantities that meet the project’s schedule.

This is a product-specific waiver and only applies to the use of the specified products for the proposed project co-funded by the Water Infrastructure Finance and Innovation Act (WIFIA) and the Clean Water State Revolving Fund (CWSRF). 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 and the Clean Water Act at 33 U.S.C. § 1388, WIFIA loan recipients and CWSRF assistance recipients for treatment works 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 these requirements based on certain circumstances set forth in 33 U.S.C. § 3914(c)(2) and 33 U.S.C. § 1388(c)(2). The applicable provisions state 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.”

Background of Waiver Request: The Applicant provided information to the EPA asserting that there are no domestic manufacturers producing valves in sufficient and reasonably available quantities and of a satisfactory quality. These valves are a critical path item required by the Applicant to adequately control water flow within the project site; therefore, delays in delivery of the valves will delay the overall completion of the project at a substantial cost to the Applicant and ratepayers.

Assessment of Waiver Request: 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 10 manufacturers or suppliers. Six did not respond. Of the four who responded, only two were able to provide valves meeting the project's specifications. The lead times for the two manufacturers were 36 and 44 weeks, both of which do not meet the project's timeline and would cause an undue delay to the project. The EPA also posted the waiver request for a 15-day public comment period. The EPA did not receive any comments. Therefore, the EPA agrees with the assessment that no domestic manufacturers produce valves meeting the project's timeline.

Finding: Since the Applicant established a proper basis to specify the 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 Monterey One Water in Monterey, California is hereby granted a waiver from the AIS requirements for the Pure Water Monterey Groundwater Replenishment Project. This waiver permits the purchase of the specified products as documented in the Applicant's waiver request submittal to WIFIA, dated October 22, 2024.

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