

AIS PUBLIC INTEREST WAIVER

To: Rich Peterson

December 11, 2015

Taylor West Weber Water Improvement District (TWWWID)

Project: 900 South Well - FSRF# 3F234

Public Interest Waiver Request

Dear Mr. Peterson,

The Taylor-West Weber Water Improvement District (the District) provides drinking water to an estimated 6,800 people in Weber County Utah and is requesting a Public Interest Waiver of the AIS requirements to allow the installation of non-domestic steel on the subject project.

Overview:

1. The District applied for funding to, among other improvements, drill a new well at approximately 900 South and 4300 West in Weber County to add redundancy and capacity to the District's source capability.
2. The District received authorization for funding through the DWSRF program.
3. Since authorization one of the District's two wells has sanded in and become entirely unproductive, leaving the District with only one source of water to meet the culinary water needs of its customers.¹
 - a. The District also has two wholesale connections to a regional water provider's system.
 - b. Based on past experience during peak water demand months, the District believes that the two wholesale connections would not be able to meet the District's needs if its remaining well were to stop or cease production.
 - c. Construction of the new well, as time-sensitive as it was when the project started, has become critical for the District in light of the recent failure of one of the District's existing wells.
4. To meet demand from the District's customers, the District entered into an agreement with Hydro Resources – Rocky Mountain (the Contractor) to drill a well.
5. The Contractor knew it was a job that required AIS compliance.^{2, 3}

¹ Please note on Page 8 in the District's 2013 Impact Fee Facilities Plan on file with the Division of Drinking Water, that the District has a delivery capacity of 3,175 GPM without the smaller of the two Office Wells. The projected delivery need in 2013, based on State standards, was 3,343 GPM (see Page 9). These numbers indicate a source delivery deficiency, which may be experienced in the summer of 2016, barring construction of a new well.

² See Article 22 of Section 1.2, Instruction to Bidders in the attached Contract Documents, which requires that "All steel and iron products shall be documented as "American Iron and Steel (AIS)". See also Addendum 2, which spelled out that the AIS Memo's from the EPA regarding AIS implementation were part of the Contract Documents. For further references to AIS, see also the following locations in the attached Contract Documents: Pg. 2-5 Article 9.01.A.3.a.; Pg. 4-12 Section 4.7.4.1; Pg. 4-12 Section 4.7.4.2; Memo regarding American Iron and Steel (AIS); AIS - Bolts and Nuts Short Term Waiver, 2015.

³ See agenda item #5 on the attached Preconstruction Conference agenda and notes.

6. A conductor casing⁴ (Conductor) was installed on or about October 28, 2015 that was not AIS-compliant.
 - a. The Contractor made a good faith effort to locate and install domestic material, but the material does not meet AIS requirements⁵.
 - b. The installed Conductor was supplied by Texas Pipe & Supply Co., 7821 Brighton Road, Commerce City CO, 80022.
7. The Conductor is not a removable piece of the project.
 - a. It is cement-grouted into the ground to a depth of 100'.
8. To replace the conductor would cost an estimated \$69,000.⁶
9. If a new conductor casing meeting the requirements of AIS must be located, or an Availability Waiver pursued, the drilling process must start over or at least be halted until a waiver is obtained and the District's position in the Contractor's work schedule would be lost.
 - a. The Contractor is currently mobilizing its drill rig to the District's well site after a long engagement in California⁷.
 - b. With the current demand for drilling in California, the rig would likely return to waiting contracts there, and the District would still be charged for Mobilization costs, without the benefit of receiving any services.
 - c. It is unknown when the next available spot on the Contractor's work schedule would open up.
10. All other casing materials (smaller diameters of both carbon and stainless steel) will be domestic and have been confirmed compliant with the requirements of AIS.
11. As the non-AIS Conductor was installed by the Contractor in good faith that it did in fact meet AIS requirements.
 - a. Please see the attached statement from the Contractor regarding its contact of 17 suppliers for the subject Conductor. Two of the 17 suppliers gave indication that their proposed Conductor was domestic, with the selected supplier stating that their Conductor was "American manufactured."
 - b. Please also refer to the email dated Dec. 11, 2015, wherein the Contractor cites previous work for government entities, and past experience leading them to believe they were providing the correct material.
12. The Contractor submitted the typical tally, bundle and metallurgical reports for the Conductor with its pay application after installation of the Conductor.
13. After receipt of the Conductor submittal, Gardner Engineering requested the necessary AIS certification statement, at which time the Contractor did some further research and determined that the "domestic" product they installed did not meet the requirements of AIS.
 - a. There has been no indication that the Contractor acted in any but good faith that it was meeting the AIS requirements.

⁴ A conductor casing is a large-diameter (in this case, 30-inch diameter) steel casing that provides a sanitary surface seal to inhibit intrusion of ground water into the aquifer from which a well will draw groundwater, and establish a safe (non-collapsible) hole through which a production well will be drilled.

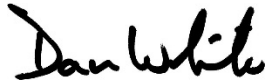
⁵ See the attached email statements from the Contractor.

⁶ See the attached Pay Application 1.

⁷ Note that conductor casing installation is a preliminary step to drilling the production well. The conductor is installed by a separate drill rig and a separate crew. That is how the conductor was installed and the drill rig for the production well is still en route.

14. Correction of the non-compliant installation, if possible, would be expensive and have unknown impacts on the timing of the drilling of this well, the District requests that the State request a Public Interest Waiver to allow the drilling of the new well to proceed as quickly as possible.

Thank you,

A handwritten signature in black ink that reads "Dan White". The signature is written in a cursive, slightly stylized font.

Dan White, P.E.
Gardner Engineering for

Val Surrage, Manager
Taylor-West Weber Water Improvement District

This waiver request was submitted to the EPA by the state of Utah. All supporting correspondence and/or documentation from contractors, suppliers or manufacturers included as a part of this waiver request was done so by the recipient to provide an appropriate level of detail and context for the submission. Some referenced attachments with project diagrams, schedules, and supplier correspondence are in formats that do not meet the Federal accessibility requirements for publication on the Agency's website. Hence, these exhibits have been omitted from this waiver publication. They are available upon request by emailing SRF_AIS@epa.gov.