



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

MAY 09 2016

OFFICE OF WATER

DECISION MEMORANDUM

SUBJECT: Availability-Based Project Waiver of American Iron and Steel Requirements for Butterfly Valves for the City of Santa Barbara's Charles Meyer Desalination Plant Reactivation Project
Waiver Number 09-DW-0002

FROM: Peter Grevatt, Director
Office of Ground Water and Drinking Water

A handwritten signature in black ink, appearing to read "Peter Grevatt", written over the "FROM:" line.

The U.S. Environmental Protection Agency is hereby granting a project-specific availability-based waiver pursuant to the American Iron and Steel requirements of Public Law 114-113, the "Consolidated Appropriations Act, 2016," to the City of Santa Barbara, California. This waiver permits 3-inch to 24-inch butterfly valves not produced in the United States to be used in the City of Santa Barbara's Charles Meyer Desalination Plant Reactivation Project. This waiver is based on the EPA's finding that 3-inch to 24-inch butterfly valves that meet the project's technical specifications and schedule are not produced in the United States. This is a project-specific waiver and only applies to the use of the specified product for the referenced project funded by the Drinking Water State Revolving Fund.

Rationale: The AIS provisions require DWSRF assistance recipients to use iron and steel products that are produced in the United States. These provisions also allow the EPA to waive the requirement for use of iron and steel products produced in the United States under certain circumstances, including cases in which the EPA finds that "iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality."

Butterfly valves of 3-inch to 24-inch diameter are critical components for the reactivation of the Charles Meyer Desalination Plant. The City of Santa Barbara has provided the EPA with documentation demonstrating that its contractor could not procure 3-inch to 24-inch butterfly valves manufactured in the United States in sufficient and reasonably available quantities to meet the project schedule deadlines and the required technical specifications. The project requires 29 butterfly valves that have a ductile iron body, with either duplex stainless steel shaft and disc, for some valve sizes, or a stainless steel shaft and disc for other valve sizes. In addition, the valves must have a vulcanized EPDM (ethylene propylene diene monomer) lining and bronze or brass bearings. The City is in the middle of construction and requires the valves to be delivered in less than a 12-week timeframe in order to meet the deadline of starting up the plant by summer.

The construction contractor contacted 14 manufacturers, but was unable to find a domestic source for the butterfly valves. Only one manufacturer indicated that it could provide AIS-compliant valves, but stated that the delivery time for the valves from the date of purchase would be 26 to 28 weeks. This would significantly delay the project schedule.

The EPA conducted market research on the supply and availability of the specified 3-inch to 24-inch butterfly valves to verify the City's claim. The EPA's market research identified only one manufacturer that could produce AIS-compliant butterfly valves that met the project specifications. That manufacturer requires at least a 24-week lead time to deliver the valves. This was the same manufacturer that the applicant identified in its attempt to find domestically produced valves. The EPA's market research also identified a manufacturer that claimed it could provide an equivalent domestic valve, but the valve did not meet the project's technical specifications and lead time for the valves would be longer than the 12-week lead time required to avoid significant delays in the project schedule.

The EPA finds that 3-inch to 24-inch butterfly valves that meet the project's technical specifications and schedule are not produced in the United States. The EPA hereby grants an availability-based waiver from the AIS requirements to the City of Santa Barbara allowing the City to use DWSRF funds to purchase the specified butterfly valves for the Charles Meyer Desalination Plant Reactivation Project documented in the State of California's waiver request submittal on behalf of the City dated February 23, 2016.

Legal Authority: Legal authority for the AIS requirements for DWSRF projects is included in P.L. 114-113, the "Consolidated Appropriations Act, 2016," under the authority of Section 424(b)(1), and also previously under P.L. 113-235 and P.L. 113-76.

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.