



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

OFFICE OF WATER

SEP 5 2019

DECISION MEMORANDUM

SUBJECT: Availability-Based Project Waiver of American Iron and Steel Requirements for Butterfly Valves in the City of Shelby, North Carolina Water Treatment Plant Upgrades Project
Waiver Number 04-DW-0006

FROM: Jennifer L. McLain, Acting Director
Office of Ground Water and Drinking Water

A handwritten signature in black ink, appearing to read "Jennifer L. McLain", is positioned to the right of the "FROM:" field.

The U.S. Environmental Protection Agency (EPA) is hereby granting an availability-based project-specific waiver pursuant to the American Iron and Steel (AIS) requirements to the City of Shelby, North Carolina, for the purchase of eight butterfly valves for the Shelby Water Treatment Plant Upgrades Project. This waiver permits the use of eight 30-inch butterfly valves that have not been produced domestically because no known domestic manufacturers produce a product that meets the project's schedule and technical specifications. This project-specific waiver only applies to the use of the specified product for the referenced project funded by the Drinking Water State Revolving Fund (DWSRF). Any other project funded by either the Drinking Water or Clean Water State Revolving Fund that wishes to use the same product must request a separate waiver based on the specific project circumstances.

Rationale: The AIS provision requires DWSRF assistance recipients to use specific domestic iron and steel products if the project is funded through an SRF assistance agreement unless the EPA determines that it is necessary to waive this requirement. The EPA has the authority to issue waivers in accordance with section 1452(a)(4)(A) of the Safe Drinking Water Act. The provision states in part: "[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."

The City is currently constructing improvements to their water treatment plant. The existing system experiences a loss of approximately 500,000 gallons per day due to the current facility and infrastructure condition. These butterfly valves are needed in the clearwell valve vault piping system. The project specifications require "grooved-end" butterfly valves, as the valve vault has

dimensional restraints and will also allow easy access during maintenance. These constraints prohibit the use of “flanged-end” or “shoulder-end” butterfly valves for this project.

The City contacted several domestic manufacturers to find a comparable AIS-compliant butterfly valves and provided information to the EPA demonstrating that no manufacturers of 30-inch butterfly valves meet the project’s technical specifications.

The EPA conducted market research on the supply and availability of 30-inch butterfly valves and concluded that there are no domestic manufacturers of these products that meet the project's schedule and technical specifications. The EPA found two potential domestic manufacturers. One manufacturer’s product did not actually meet the project’s technical specifications due to the type of end connection and the configuration in the clearwell. The other manufacturer could supply the butterfly valves; however, due to the machining required for the end connections, the lead time was estimated at 22-24 weeks, which would significantly delay the completion of this critical project for the City. Per statutory requirement, the waiver request was posted on the EPA’s AIS website for the mandatory 15-day public comment period. The EPA received public comments from same two manufacturers as above.

The EPA is granting an availability-based waiver from the AIS requirements to the City of Shelby, North Carolina, for the Water Treatment Plant Upgrades Project with respect to eight butterfly valves. This waiver permits the purchase of eight 30-inch butterfly valves using DWSRF funds as documented in the State of North Carolina’s waiver request submittal on behalf of the assistance recipient, dated June 28, 2019.

Legal Authority: Legal authority for the AIS requirements for DWSRF projects is included under the Safe Drinking Water Act, under the authority of section 1452(a)(4)(A).

If you have questions concerning the contents of this memorandum, please contact Dallas Shattuck, Physical Scientist, Drinking Water Protection Division, at shattuck.dallas@epa.gov or (202) 564-0972.