



Rural Development

Rural Utilities Service

Water & Environmental
Programs

1400 Independence Ave SW
Washington, DC 20250

DECISION MEMORANDUM

DATE: 15 July 2025

SUBJECT: Availability-Based Project-Specific Waiver of American Iron and Steel Requirements for one 6-inch pressure reducing valve, one 4-inch and one 6-inch butterfly valve, one ½-inch pressure relief valve, and one 6-inch backflow prevention valve assembly for the Montezuma Water Company's Water Treatment Plant Expansion Project in Montezuma County, CO

Waiver Number: 25-004

FROM: Rebecca Strohm
Acting Director
Water and Environmental Programs

Decision: The U.S. Department of Agriculture (USDA) is hereby granting an availability-based project-specific waiver of American Iron and Steel (AIS) requirements to the Montezuma Water Company for the purchase of one 6-inch pressure reducing valve, one 4-inch and one 6-inch butterfly valve, one ½-inch pressure relief valve, and one 6-inch backflow prevention valve assembly for its Water Treatment Plant Expansion Project in Montezuma County, CO. This waiver permits the use of non-domestic pressure reducing valves, butterfly valves, pressure relief valves and backflow prevention valve assemblies because no known domestic manufacturers can deliver a product that meets the project's technical specifications.

This is a project-specific waiver which applies only to the use of the specified product for the referenced project funded by the USDA Rural Development (RD) Rural Utilities Service (RUS) Water and Waste Disposal (WWD) Loan and Grant program under the Water and Environmental Programs (WEP). Any other project that wishes to use the same product must submit a separate waiver request based on the specific project circumstances.

Rationale: The AIS provision of the Consolidated Appropriations Act of 2017 (Public Law 115-31) and subsequent statutes require WEP assistance recipients to use domestic iron and steel products unless RD determines that it is necessary to waive this requirement. USDA has the authority to issue waivers in accordance with section 746 (b)(2) of P.L. 115-31, which states in part: "[the requirements] shall not apply in any case or category of cases in which the Secretary of Agriculture ... or the designee of the Secretary finds that ... iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality." As per the

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delegation memo of July 2017, approval of project specific waivers has been delegated to the Engineering and Environmental Staff Director.

Background of Waiver Request: The Montezuma Water Company's Water Treatment Plant Expansion Project in Montezuma County, CO, includes installation of pressure reducing valves, butterfly valves, pressure relief valves and backflow prevention valve assemblies in their water system. The contractor stated that they could not find manufacturers to furnish assemblies that adhered to AIS requirements, and furnished documentation from three suppliers corroborating this.

USDA RD had earlier been made aware of the lack of AIS-compliant butterfly valves and backflow prevention valves regarding projects in Oakley, UT, Lisbon, ME, Searsport, ME, Constatine, MI and Blossburg, PA. In all cases, the applicants reached out to multiple manufacturers or distributors, who all stated that they cannot supply butterfly valves and/or backflow preventers meeting domestic preference requirements. USDA's AIS contractor then contacted multiple manufacturers and suppliers including those contacted by the applicant. Of the companies that responded, none of them manufacture butterfly valves and/or backflow preventer assemblies meeting both the project specifications and domestic preference requirements. Based on this research, USDA granted the Oakley project a waiver of AIS for butterfly valves on March 20, 2025 (#25-002) and granted the Lisbon, Searsport, Constatine and Blossburg projects a waiver of AIS for backflow preventers on January 28, 2025 (#25-001) November 6, 2024 (24-005), August 13, 2024 (24-004 and 24-003) respectively.

The Montezuma Water Company submitted to RD a formal request to waive AIS requirements for the assemblies on March 6, 2025. Per statutory requirement, the waiver request was posted on RD's AIS website for a 15-day public comment period, and the Agency received no comments.

Finding: USDA is granting an availability-based waiver from the AIS requirements to the Montezuma Water Company for one 6-inch pressure reducing valve, one 4-inch and one 6-inch butterfly valve, one ½-inch pressure relief valve, and one 6-inch backflow prevention valve assembly. This waiver permits the purchase of these valves using WEP funds for the Water Treatment Plant Expansion Project as documented in the waiver request submittal.

Legal Authority: Legal authority for the AIS requirements for WEP projects is included under the Consolidated Appropriations Act of 2017 and subsequent statutes, under the authority of section 746 (b)(2) of P.L.115-31.

If you have questions concerning the contents of this memorandum, please contact WEP Engineering at WEPEngineering@usda.gov.