

Well Drilling Status Update. Lord Arizona Water Systems (LAWS) continues to work through the administrative process so the two wells can be drilled at no cost to the customers, but the necessary approvals are still under review by the Environmental Protection Agency (EPA). The drilling company was scheduled to install the wells on June 2, 2024. This project requires the use of American Iron and Steel (AIS) because it is funded by federal grants. The well driller contacted every supplier of steel well casing and drop pipe and no one had AIS certified product available. A couple companies said they might be able to manufacture it, but this would require LAWS to engage an engineer to draw plans as well as pay for the manufacturing and transportation from more than 1,000 miles away. The well driller estimated this would take at least four months and cost an additional \$100,000.00. This additional cost is not covered by the grant, so it would likely be a cost passed along to the customers and would require LAWS to go through the Arizona Corporation Commission and WIFA process again, which took more than six months last time.

The federal AIS rules have a waiver provision that states domestic iron and steel do not have to be used if products are not produced in “sufficient and reasonably available quantities” or will increase the project’s cost by more than 25%. Knowing the term “available” means “present or ready for immediate use” and that the costs increase for manufacturing and delivering the products would drive the cost up more than 30%, both exceptions clearly apply.

After the well driller exhausted all of its options, on June 18, 2024, LAWS submitted its waiver request stressing this is a real emergency and immediate action is needed. On June 20, 2024, the EPA staff asked a couple follow up questions and LAWS responded that same day. On July 10 - 22 days after LAWS submitted its waiver application - the EPA responded stating they had found AIS compliant products. Unfortunately, this was not true. The well driller contacted the vendors referenced by the EPA and the vendors confirmed they did not have AIS certified well casing and drop pipe available for the project. They had unfinished steel pipe. One said they could manufacture the products. On July 13, LAWS responded to the EPA explaining again none of these companies had well casing and drop pipe available. Following this response, the EPA posted LAWS waiver application for a 15-day public comment period, which ends on July 31. Thereafter, the EPA will take 2 weeks to decide if the waiver will be granted or not.

Right after the public comment period opened, one public comment was filed by the same manufacturer who continues to state they can supply this AIS material if LAWS provides engineered drawings. In other words, they will custom make the product. LAWS responded to this comment again explaining having the product “available” at a reasonable price and being able to manufacture the product at some unknown cost is not the same.

In conclusion, LAWS is incredibly frustrated with this dreadful bureaucratic process. While people are rationing water, the EPA will take 43 days before it considers granting the waiver. Moreover, the EPA continues to delay based upon responses from salesmen who never say they have the well casing and drop pipe available. Rather, these manufacturers say they can “supply” the product at some unknown cost and unknown delivery date after LAWS provides engineered drawings. LAWS has contacted federal and state officials for assistance, but nothing seems to be able to motivate the EPA to expedite this process. We hope the EPA will grant the waiver right after the public comment period ends.

Finally, LAWS does appreciate the efforts of the ACC and WIFA. ACC quickly approved the financing application. WIFA helped secure the 100% grant for the well drilling and has done all they can do to expedite the waiver process. Unfortunately, there is no domestic well casing or drop pipe available – it has to be specially made – and the EPA’s waiver process is incredibly slow. The only other alternative to waiting for the waiver is to add \$100,000 cost to the project and start the 6-month, ACC and WIFA process all over again to pay for someone to manufacture the well casing and drop pipe, which is not an attractive alternative. We appreciate your patience and understanding.