

United States Iron & Steel Requirements

United States Iron and Steel (U.S. I&S) requirements apply to projects funded through Texas Water Development Board (TWDB) financial programs including grants through the Agricultural Water Conservation Fund. Construction projects funded are required to use iron and steel products made in the United States. However, if the recipient can justify a claim made under one of the categories below, a waiver may be granted. Until a waiver is granted by the TWDB, the U.S. I&S requirements shall be adhered to as outlined in Texas Water Code §17.183; Texas Government Code, Chapter 2252, Subchapter G, as added by Senate Bill 1289, 85th Legislative Session; and Texas Administrative Code §363.41.

Waiver Categories

A waiver may be granted if TWDB determines that:

- Iron and steel products produced in the United States are not produced in sufficient quantities, reasonably available, or of satisfactory quality.
- Use of iron and steel products produced in the United States will increase the cost of the overall project by more than 20 percent, or
- Complying with the U.S. I&S requirements is inconsistent with the public interest.

Waiver Request

The United Irrigation District, holding a FY 2022 Agricultural Water Conservation Grant, has submitted a waiver request of the category “complying with the U.S. I&S requirement is inconsistent with the public interest”. See the district’s request beginning on page 2 of this document.

Public Comment

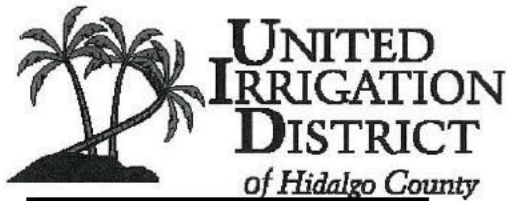
Pursuant to 31 Texas Administrative Code 367, Rule §367.12, (b)(3)(A) and [TWDB's United State Iron and Steel Guidance](#), the TWDB is hosting a public comment period for the United Irrigation District’s request for a public interest waiver of U.S. I&S requirements. The TWDB is publishing the material submitted with the request on the agency’s website for a period of 10 calendar days:

www.twdb.texas.gov/about/contract_admin/request/index.asp. During this period, the public will have an opportunity to review the request and provide informal comments to the TWDB.

Deadline

Comments on the waiver request can be submitted to AgConservation@twdb.texas.gov and are due by close of business on Month, Day, 2025.

For more information on U.S. I&S waivers and the waiver process, please visit www.twdb.texas.gov/financial/programs/us-iron-steel.asp and refer to [TWDB - 1105 United State Iron and Steel Guidance](#).



October 9, 2024

[Redacted]
Agricultural Water Conservation
Texas Water Development Board
1700 N. Congress Ave.
Austin, TX 78701
[Redacted]

Re: US Iron & Steel Requirements Waiver Request for TWDB Contract 2213582651

Dear [Redacted]

United Irrigation District (the District) is formally requesting a waiver for the U.S. Iron & Steel (US I&S) Requirements in TWDB-1105 for the construction of Pump Station E458 which was awarded funds through the Agricultural Water Conservation Grant for Fiscal Year 2022. This waiver is necessary due to the added costs of utilizing U.S. Iron & Steel representing 65% of the funding awarded by the Texas Water Development Board for this project, effectively resulting in less than \$70,000 in financial assistance for a project that will cost nearly \$2,000,000 to complete, in addition to the administrative work and engineering services required to comply with the grant program's reporting requirements.

The District still intends to proceed with the construction of the pump station and to conserve water by doing so. The granting of a waiver for US I&S requirements would greatly help the District in following through with the project, as will a reduction in scope as follows:

1. Remove the two 3,000 gpm pumps in initial construction, while retaining the infrastructure design for their incorporation at a later date as funds allow. The 2,000 gpm pump and 1,000 gpm pump will still be capable of supplying farmers in the area to convert to drip irrigation for the conservation of water as outlined in the original grant application. The second 3,000 gpm pump was intended to be a spare.
2. Remove the SCADA system from the scope, while retaining any necessary initial infrastructure design to accommodate its implementation at a later date when funds allow. The pump station would be operated locally in the short term.

With the granting of a waiver of TWDB-1105 U.S. Iron & Steel requirements and the reduction in scope outlined above, the project becomes much more feasible for the District and aids in the mitigation of the project cost as bid having more than doubled in cost since the original grant application's construction cost estimation. The District will request additional funding from the Texas Water Development Board to complete the second phase of this project by furnishing and installing the two 3,000 gpm pumps and the SCADA system as additional grant funding opportunities from this program become available in the future.

Your consideration is greatly appreciated.

Respectfully,
United Irrigation District

A large black rectangular redaction box covering the signature area.

General Manager

TWDB Contract No. 2213582651 – United Irrigation District Pump Station E458

TWDB Agricultural Conservation Grant Fiscal FY2022

US Iron & Steel Requirement Waiver Request

Introduction: United Irrigation District is formally requesting a waiver of US Iron & Steel Requirements as outline in TWDB-1105 due to an exceptional cost increase due to this requirement relative to the amount of funding awarded from the Agricultural Conservation Grant from the Texas Water Development Board. The project is shovel-ready, has had bids received from a total of seven (7) contractors and is ready to award the project pending the approval of this waiver as well as the approval of construction plans and specifications by TWDB. The project location is McAllen, Texas in Hidalgo County.

Supporting Documentation: Attached is the Bid Tabulation completed by the District Engineer [REDACTED] for this project. The construction plans and specifications state the requirement for using US Iron & Steel for this project, and the Bid documents outline a separate Bid Deduct Item (Alternate Bid Schedule A, Page 2) for the use of foreign iron & steel to depict the additional cost incurred by the US I&S requirements. The Bid Tabulation shall serve as the source for a reasonable survey of the market for cost comparisons between domestic and foreign iron and steel. While the deduct for US I&S does not explicitly itemize what materials fall under the category, the materials subject to the requirements for this project are the welded steel standpipe, ductile iron pipe, fittings, valves, and structural steel, whose quantities are given in the construction plan if their respective bid item is quantified as a lump sum. The Bid Tabulation lists a proposed time of completion for the deletion of US I&S requirements if different, for the contractor to fill out, although none of the contractors required additional contract time for the use of domestic materials.

Conclusion: The average deducted amount across seven (7) bids for the use of foreign iron and steel instead of domestic iron and steel was \$97,416. The lowest cumulative bidder overall (if a waiver is granted and the deduct is allowed) had a deduct of \$140,000. The amount of TWDB funding is \$200,000. Should a waiver not be granted, the lowest bidder, when using domestic iron & steel, will cost the District an additional \$130,350.

Attachments: UID Pump Station E458 Bid Tabulation 08/27/24

[REDACTED]

March 06, 2025

202-065

[REDACTED]
Agricultural Water Conservation
Texas Water Development Board
1700 N. Congress Ave., P.O. Box 13231
Austin, Texas 78711-3231

Re: US I&S Waiver Request for United Irrigation District Pump Station E458 TWDB
Contract No. 2213582651

Dear [REDACTED]

Please see the attached Pay Estimate No. 2 for the current status of the referenced project, which is now under construction. A construction contract was awarded with a bid deduct item for the deletion of US Iron & Steel (US I&S) requirements for a cost savings of \$140,000 on the total contract price. In addition, the contract was awarded without bid item 10A for SCADA components for additional contract price reduction of \$100,000 as indicated in the formal waiver request letter to Mr. Antonio Delgado dated October 9th, 2024. However, the Board of Directors of United Irrigation District (UID) decided to proceed with all four pumps per the original project proposal; the removal of the two 3,000gpm pumps was proposed in the aforementioned letter as a component of scope reduction alongside the removal of the SCADA component. The SCADA system as outlined in the original grant application will be incorporated by the District at a later date and is not in the contract as awarded, however the pump station design still maintains the necessary provisions for the later addition of SCADA components per the original project proposal.


UID's compliance with US I&S requirements is not consistent with public interest as it would have increased the project costs by \$130,350 for funding under the TWDB Agricultural Conservation Grant of \$200,000. This effectively renders the grant worth a net funding amount of \$69,650 which is quickly spent on administrative and engineering costs associated with the grant application and its requirements for progress reporting, additions to contract requirements, engineering feasibility studies, environmental compliance, educational seminars, and final reporting; much of which has already occurred, leaving little to no practical benefit provided by the funding amount.

[REDACTED]

However, a waiver of US I&S requirements allows the \$130,350 to be utilized for other conservation improvements within the District. The District has two ongoing projects which it has received federal funding from the United States Bureau of Reclamation (USBR) at a 50% federal match rate: the construction of the Lateral 7N pipeline (which Pump Station E458 will feed once complete) under the Lower Rio Grande Valley Water Resources Conservation and Improvement Act of 2000, under construction since February 2021 and a Canal Automation and Metering project, funded by the WaterSMART program, to install seven (7) canal automation and metering gates and four (4) flow control gates to conserve 1,537 acre-feet of water annually. The TWDB Agricultural Conservation Grant's funding, if the waiver is granted, allows the grant reimbursement of \$200,000 to be immediately dedicated towards these two projects at a 50% match, effectively representing \$400,000 immediately available for use in other District water conservation improvement projects. Granting the waiver request helps these additional conservation projects and their resulting water conservation to occur sooner while water in the region is in dire need. The United States Department of the Interior's Bureau of Reclamation has issued a General Applicability Public Interest Waiver for WaterSMART Programs Impacted by Drought for the Build America, Buy America Act's Buy America preference. Had this project been federally funded by the WaterSMART program following its existing timeline and contract execution date, it would meet the criteria for the aforementioned waiver.

The Lower Rio Grande Valley (the public) is experiencing significant and ongoing drought, exacerbated by conflicts over its shared water resource with Mexico, making water conservation and water conservation projects critical to maximizing limited water resources available to the region. Being a region with a large agricultural industry dependent on irrigation, agricultural water conservation has the greatest impact on conserving water for all users in the region including municipal and industrial users for electricity generation and potable water supply to the region's population. Any water conserved within United Irrigation District represents water retained in Falcon and Amistad Reservoirs on the Rio Grande, and made available for all other water users in the entire region, including many disadvantaged and underserved communities.

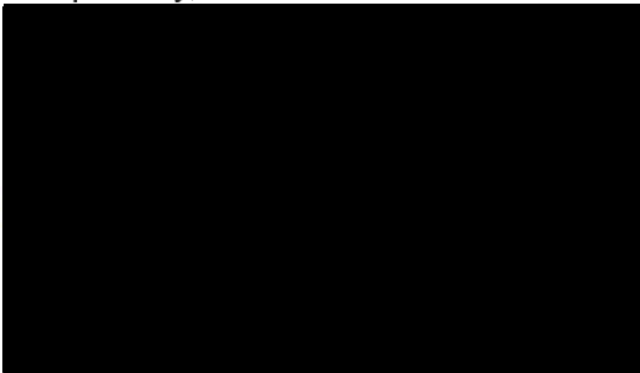
Granting the US I&S Waiver for UID Pump Station E458 will conserve water for agricultural use within the District, the entire region (the public) below Falcon and Amistad Reservoirs on the Rio Grande and will also allow the District to make immediate use of funds for other ongoing water conservation projects receiving Federal funding at a 50% match, in a time of great drought and a scarce water supply.


March 06, 2025

Page 3

Please consider the above information in the determination of inconsistency with public interest to comply with US Iron & Steel Requirements for this particular project in light of current exceptional water scarcity and United Irrigation District's intent to use the expenditure reimbursement to leverage federal funds to complete other conservation projects. Due to this ongoing water scarcity and constantly inflating construction costs, the District could not delay this project any further and proceeded with construction. Granting this waiver request to allow reimbursement for this TWDB Agricultural Water Conservation project will have a great positive effect on regional (public) water conservation and accelerate the completion of other ongoing federally funded water conservation projects by approximately one year. The Final Report will also provide beneficial information to the public regarding water conservation resulting from the project.

Respectfully,



Attachments: UID Pump Station E458 Pay Estimate No. 2

10/09/25 Letter to A. Delgado re. UID Formal US I&S Waiver Req.