

RCA: Spansion Inc. Letter of Intent for the Commercial Incentive Program

Subject: Approve the issuance of a Letter of Intent for a rebate in an amount not to exceed \$100,000.00 to Spansion Inc. for the installation of treatment equipment and distribution piping to allow the use of manufacture rinse water in cooling towers and equipment in place of potable water.

Amount and Source of Funding: Adequate funding is available in the Fiscal Year 2009-2010 Operating Budget of the Austin Water Utility.

Fiscal Note: A fiscal note is not required.

For More Information: Drema Gross, 974-2787; Cole Newton, 974-3514; Denise Avery, 972-0104

Prior Council Action: None

Boards and Commission Action: To be reviewed by the Resource Management Commission on April 20, 2010 and Water and Wastewater commission on May 11, 2010.

Summary: Austin Water Utility requests authorization to issue a rebate in an amount not to exceed \$100,000.00 to Spansion Inc. for the installation of treatment equipment and distribution piping to allow the use of manufacture rinse water in cooling towers and equipment in place of potable water. The rebate is in accordance with Austin Water Utility Commercial Water Conservation Incentive Program.

This program provides incentives to large industrial, commercial and institutional facilities to implement water saving projects. The project proposed by Spansion Inc. will cost Spansion Inc. approximately \$930,000 and will save approximately 400,000 gallons of water per day, which is about 100 million gallons per year.

Cost Data:

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|-----------------------------------|--|
| 1. Cost of This Rebate: | \$100,000.00 |
| 2. Total Estimated Gallons Saved: | 400,000 gallons per day (730,000,000 gallons over a minimum 5 year lifespan) |
| 3. Cost Per Gallon Saved: | \$0.14 per thousand gallons |