



Recommendation for Resource Management Commission

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| Commission Meeting Date: | June 8, 2016 |
| Council Meeting Date: | June 23, 2016 |
| Department: | Austin Water |
| SUBJECT | |
| Approve the issuance of a Letter of Intent for a rebate to FLEXTRONICS in an amount not to exceed \$100,000 for the installation of treatment and filtration systems, pumps, storage and distribution piping to recycle treated manufacturing process rinse water to offset the use of potable water. | |
| AMOUNT AND SOURCE OF FUNDING | |
| The rebate would be in an amount not to exceed \$100,000. Funds are available in the FY 2016 Austin Water Conservation budget; there is no unanticipated financial impact. | |
| Purchasing Language: | N/A |
| Prior Council Action: | N/A |
| For More Information: | Daryl Slusher, 512-972-0218; Drema Gross, 512-974-2787; Denise Avery, 512-972-0104 |
| Boards and Commission Action: | May 17, 2016 – Recommended by the Resource Management Commission on a 7-0-0-3 vote, with Commissioners Gill, Santiago, and Wong absent and one vacancy. June 8, 2016 – To be reviewed by the Water & Wastewater Commission |
| MBE/WBE: | N/A |

Austin Water requests authorization to issue a rebate in an amount not to exceed \$100,000 to Flextronics for the installation of treatment and filtration systems, pumps, storage and distribution piping to allow the reuse of rinse water in the anodizing of aluminum castings for the manufacture of electronic components. The treatment and recycling of this process rinse water would replace the use of potable water and reduce the amount of pretreated wastewater discharged to the sanitary sewer system. The project proposed by Flextronics will cost Flextronics approximately \$707,600 and will save approximately 64,500 gallons per day, or about 23.5 million gallons per year. This project is in accordance with the incentive program guidelines.

On August 28, 2008, Council authorized an increase in the maximum per project rebate amount for the Water Conservation Institutional, Commercial and Industrial Rebate Program from \$40,000 to \$100,000. The rebate provides a greater incentive to companies to implement water saving projects. The rebate amount is based on the cost of the equipment and the expected amount of water savings, calculated at \$0.50 per 1,000 gallons saved over a 10 year lifetime of the equipment or 50% of the equipment cost, whichever is less, not to exceed \$100,000. Once the company has completed the project, staff will inspect the equipment and measure the water savings prior to issuing the rebate.

COST DATA:

1. Estimated rebate amount: \$100,000
2. Total estimated gallons saved: 64,500 gallons per day, 23.5 million gallons per year, or 235 million gallons over a ten year lifetime of the equipment.
3. Cost per gallon saved over ten years: \$0.0004 per gallon