

## A G E N D A



## Recommendation for Council Action

Austin City Council		Item ID	62451	Agenda Number	4.
Meeting Date:	10/6/2016			Department:	Austin Water Utility
Subject					
Approve the issuance of a rebate to NXP SEMICONDUCTORS for the installation of water conservation measures, in an amount not to exceed \$100,000.					
Amount and Source of Funding					
The rebate would be in an amount not to exceed \$100,000. There is no unanticipated financial impact.					
Fiscal Note					
A fiscal note is not required.					
Purchasing Language:					
Prior Council Action:					
For More Information:	Daryl Slusher, 512-972-0218; Drema Gross, 512-974-2787; Denise Avery, 512-972-0104				
Council Committee, Boards and Commission Action:	September 14, 2016 – Recommended by Water and Wastewater Commission on a 8-0 vote with Commissioners Lee, Kellough, and Parker absent. September 20, 2016- Recommended by the Resource Management Commission on a 6-0 vote with Commissioners Dielmann, Santiago, and Saum absent.				
MBE / WBE:					
Related Items:					
Additional Backup Information					
<p>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.</p> <p>Austin Water requests authorization to issue a rebate in an amount not to exceed \$100,000 to NXP Semiconductors for the installation of treatment and filtration systems, pumps, storage and distribution piping to allow the reuse of rinse water in the manufacture of semiconductors. The treatment and recycling of this process rinse water would replace the use of potable water. The project proposed by NXP Semiconductors will cost NXP Semiconductors approximately \$800,000 and will save approximately 80,640 gallons per day, or about 29.4 million gallons per year. This project is in accordance with the incentive program guidelines.</p>					

**COST DATA:**

1. Estimated rebate amount: \$100,000
2. Total estimated gallons saved: 80,640 gallons per day, 29.4 million gallons per year, or 294 million gallons over a ten year lifetime of the equipment.
3. Cost per gallon saved over ten years: \$0.00034 per gallon