Blanco-Pedernales Groundwater Conservation District
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RESOLUTION NO. 20260416-1

STATE OF TEXAS

COUNTY OF BLANCO

RESOLUTION REQUESTING LEGISLATIVE CLARIFICATION AND PROTECTION REGARDING THE REGULATION OF DATA CENTERS AND CONCENTRATED DEMAND LOCATIONS

WHEREAS, the Blanco-Pedernales Groundwater Conservation District (the "District") lies within a designated Priority Groundwater Management Area experiencing prolonged drought conditions that have strained municipal, agricultural, and industrial water supplies across Central Texas; and

WHEREAS, Blanco County is a premier agricultural region reliant on sustainable groundwater from the Edwards-Trinity (Plateau), Trinity, Ellenburger-San Saba, and other minor aquifers within the county for cattle ranching, vineyards, and crop production; and

WHEREAS, the District is an independent political subdivision authorized under Chapter 36 of the Texas Water Code to manage groundwater resources in the public interest, and, as a taxing entity, has a duty to ensure that the costs of disproportionate large-scale industrial development are not shifted onto Blanco County residents, yet such developments strain the roads, drainage, and emergency services managed by other local governments, forcing tax hikes and fee increases to cover unbudgeted repairs while the developer's current contributions fall far short of the proportional costs of the infrastructure it degrades; and

WHEREAS, Texas data centers currently consume an estimated 25 billion gallons of water annually, with projections indicating this could surge to between 29 and 161 billion gallons by 2030, representing a potential increase of up to 540 percent and a shift from 0.4 percent to as much as 2.7 percent of the state's total water usage in just five years, according to a March

2026 report by the Houston Advanced Research Center and corroborated by the April 2026 Texas Water Foundation Policy Brief; and

WHEREAS, data centers are increasingly expanding into rural areas like Blanco County, driven by affordable land and regulatory environments, placing disproportionate pressure on local aquifers that lack the infrastructure capacity to absorb this rapid growth; and

WHEREAS, current data collection efforts are critically fragmented, with many data centers not required to disclose water usage unless they hold specific surface water permits, creating a significant blind spot in regional water planning and preventing accurate forecasting of future demands; and

WHEREAS, the environmental impact of data centers involves a complex trade-off between direct onsite water use for cooling and indirect water consumption for electricity generation, meaning that optimizing for one metric may inadvertently increase the total water footprint, necessitating a holistic regulatory approach that current statutes do not fully address; and

WHEREAS, emerging technological paradigms including fractal computing, edge-mesh networks, and quantum-speed distributed processing enable AI decisioning to occur on decentralized edge devices, potentially eliminating the need for massive, water-intensive centralized facilities entirely; and

WHEREAS, the Texas House Natural Resources Committee and Senate Water, Agriculture, and Rural Affairs Committee have both assigned groundwater management and the water demands of energy-intensive technologies, including data centers, as interim study charges for the 89th Legislature, signaling active legislative interest in this issue; and

WHEREAS, portions of the Trinity and Ellenburger-San Saba aquifers in Blanco County are dominated by karst geology featuring conduit-flow networks, solution-enlarged fractures, and stream-fed recharge pathways, rendering aquifer levels and spring flows highly sensitive to sustained large-volume withdrawals; and

WHEREAS, wells in the Trinity, Ellenburger-San Saba, and other minor aquifers generally possess only low to moderate yields, necessitating multiple wells for large industrial withdrawals

which significantly impact water levels and existing users, creating a regulatory imperative to preserve artesian pressure, limit drawdown, and protect recharge features; and

WHEREAS, while the District possesses general authority under Chapter 36 of the Texas Water Code to manage these resources, the unique scale and concentrated nature of data center withdrawals create significant legal ambiguities regarding the application of existing rules to such industrial users, exposing the District to costly litigation and regulatory paralysis that hinders its ability to fulfill its statutory obligations to existing well owners and the public interest; and

WHEREAS, Groundwater Conservation Districts face increasing legal challenges in exercising their regulatory authority, and without adequate statutory protections, the financial burden of defending such litigation could divert resources from core mission activities and impair the District's ability to fulfill its statutory obligations; and

WHEREAS, the Texas Water Association Legislative Committee, in its April 1, 2026 meeting, explicitly identified data center water usage and cooling technologies as a priority subcommittee issue for the 2026–2027 interim, consistent with its mission to advocate for sound water policy and sustainable resource management across the state; and

WHEREAS, the Texas Alliance of Groundwater Districts, as the representative organization for Groundwater Conservation Districts across the state, maintains a legislative committee actively engaged on issues affecting GCD authority and groundwater management, and its engagement is essential to building broad consensus among districts facing similar challenges;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Blanco-Pedernales Groundwater Conservation District that the District formally opposes data center developments proposing concentrated production of high-volume potable groundwater in water-constrained regions unless the developer demonstrates a sustainable supply and implements robust mitigation safeguards; and

BE IT FURTHER RESOLVED that the District urges the Texas Legislature to **clarify and affirm** that Groundwater Conservation Districts possess the full statutory authority under Chapter 36 to:

- **Industrial Siting:** Tie development approvals and density limits directly to demonstrated groundwater availability, and restrict or deny permits where water resources cannot sustainably support the proposed demand;
- **Impact Assessment and Mitigation:** Require cumulative impact assessments for data centers and assess transport and mitigation fees on large-scale industrial users, with revenues dedicated to aquifer recharge and remediation of physical damages;
- **Data Transparency:** Require real-time metering and public reporting of water usage and energy sourcing for Concentrated Demand Locations;
- **Non-Potable Water Sourcing:** Require that data centers in PGMA zones utilize non-potable, recycled, or brackish groundwater as their primary supply where technically feasible; and
- **Emergency Powers:** Impose temporary moratoria or require expedited reviews on high-volume withdrawals in Priority Groundwater Management Areas to prevent imminent, irreparable harm;

AND BE IT FURTHER RESOLVED that the District further urges the Texas Legislature to **enact legislation clarifying and strengthening** the existing framework for inter-district cooperation by:

- Mandatory Inter-District Consultation: Establishing a mandatory statutory requirement for consultation between affected Groundwater Conservation Districts prior to permit issuance when a proposed development in one district is reasonably anticipated to cause significant harm to a neighboring district, ensuring that all impacted districts have a formal voice in the permitting process; and
- Statutory Proxy Authority for Unprotected Areas: Establishing a mechanism whereby, if a neighboring county or area lacks a Groundwater Conservation District, the adjacent GCD with jurisdiction over the proposed development shall act as the statutory proxy for that unprotected area. This proxy authority shall empower the GCD to solicit input

from local landowners and stakeholders in the unprotected area and to exercise the same veto or mitigation authority over cross-boundary impacts as if a GCD existed in the neighboring jurisdiction, thereby ensuring continuous regulatory oversight regardless of district boundaries; and

AND BE IT FURTHER RESOLVED that the District further urges the Texas Legislature to **enact new legislation** granting Groundwater Conservation Districts specific authority to:

- **Energy-Water Nexus:** Consider indirect water consumption associated with electricity generation when evaluating data center permits, and require data centers in PGMA zones to offset their total water footprint by employing high-efficiency cooling technologies or utilizing non-potable sources; and
- **Evaluation of Emerging Technologies:** Require data center permit applicants to evaluate emerging or commercially developing low-footprint technologies including fractal computing, edge-mesh networks, and quantum-speed distributed processing, and demonstrate that no viable alternative exists to meet their computational needs without concentrated groundwater withdrawals, subject to independent technical validation;

AND BE IT FURTHER RESOLVED that such legislation must include statutory protections for Districts exercising regulatory authority in good faith, specifically including the recovery of attorney's fees and costs in the event of frivolous litigation and expedited judicial review procedures to prevent regulatory paralysis; and

BE IT FURTHER RESOLVED that any regulations adopted under authority granted herein should include periodic review provisions to ensure that regulatory frameworks remain responsive to technological advancements and market conditions; and

BE IT FURTHER RESOLVED that copies of this resolution be transmitted to Sen. Campbell, Rep. Troxclair, the Senate Water, Agriculture, and Rural Affairs Chairman, the House Natural Resources Chairman, Sen. Flores, the Blanco County Commissioners Court, the Mayor of the City of Blanco, the Mayor of the City of Johnson City, the GMA9 Chairman, the Region K Chairman, the Texas Commission on Environmental Quality, the Railroad Commission of Texas, the Texas Water Development Board, the Texas Water Association Legislative Committee, the

Texas Alliance of Groundwater Districts, and Neil Deeds, P.G., INTERA, Consulting Professional Geologist for the District; and

BE IT FURTHER RESOLVED that this resolution shall take effect immediately upon adoption.

ADOPTED this 16th day of April 2026, by the Board of Directors of the Blanco-Pedernales Groundwater Conservation District.

Jimmy Klapec, Board President
Date: April 16, 2026

Greg Stevens, Board Secretary
Date: April 16, 2026