



RESOLUTION 29-2026

A RESOLUTION OF THE CALDWELL COUNTY COMMISSIONERS COURT REGARDING THE ESTABLISHMENT OF ADDITIONAL DATA CENTERS IN THE STATE OF TEXAS

WHEREAS, the pace of data center construction has exponentially increased across the United States and within the State of Texas, driven by increasing demand for digital infrastructure, data aggregation, artificial intelligence, cryptocurrency mining and related transaction settlement processes, and cloud computing services;

WHEREAS, data centers constitute critical infrastructure underpinning modern commerce, healthcare, education, communications, financial systems, artificial intelligence development, cloud computing, cybersecurity operations, and national defense capabilities;

WHEREAS, the continued development of advanced data infrastructure is an essential component of Texas' and the United States' economic competitiveness and national security posture in an increasingly global technological competition, and the State of Texas has emerged as a national leader in attracting data center investment due to its business-friendly climate and energy resources;

WHEREAS, responsible long-term planning is necessary to ensure that critical infrastructure growth occurs in a manner that protects grid reliability, water sustainability, fiscal integrity, and the quality of life of existing residents;

WHEREAS, local concerns have emerged across Texas regarding the potential adverse impacts of large-scale data center developments on surrounding communities, the environment, public health, consumer utility costs, land use compatibility, and strain on local infrastructure and resources;

WHEREAS, large-scale data center developments may require substantial land conversion, including the clearing or repurposing of agricultural lands, rangelands, and open spaces that support local food production, rural economies, wildlife habitats, and natural drainage patterns, and without appropriate siting, mitigation, and conservation planning, such development could result in fragmentation of habitat, loss of prime farmland, increased stormwater runoff, and long-term impacts to native species and ecological systems;

WHEREAS, the State of Texas electrical grid, managed by the Electric Reliability Council of Texas ("ERCOT"), is experiencing rapidly increasing demand for electricity;

WHEREAS, projections indicate that without expanded generation capacity, transmission infrastructure, and reliability safeguards, Texas could face substantial shortfalls in electricity generation and grid reliability over the

coming decade, increasing the risk of service interruptions and higher energy costs for residential, agricultural, and commercial consumers;

WHEREAS, rapid increases in large, continuous-load electricity demand attributable to hyperscale and similar data center facilities raise important reliability planning considerations, particularly during peak summer demand and extreme weather events;

WHEREAS, Caldwell County faces recurring drought conditions and ongoing water supply challenges, impacting municipal, agricultural, and industrial water users;

WHEREAS, certain data center cooling technologies, including open-loop evaporative systems, may require substantial volumes of potable water, and cumulative regional demand associated with multiple facilities could materially affect local water availability, particularly in drought-prone areas;

WHEREAS, current state-level regulatory frameworks provide limited uniform requirements for transparent reporting of projected electricity demand and water consumption associated with proposed data center facilities;

WHEREAS, counties bear primary financial responsibility for the maintenance and repair of county roads, drainage systems, and certain emergency response infrastructure, yet possess limited statutory authority to require proportionate cost participation from certain large-scale developments impacting such infrastructure;

WHEREAS, counties have limited statutory authority over electric generation regulation and grid oversight, yet bear responsibility for protecting public health, safety, infrastructure integrity, and natural resources within their jurisdiction; and

WHEREAS, under current Texas law, counties do not possess general zoning authority and are not granted broad land-use regulatory powers comparable to those of municipalities, thereby limiting the ability of counties to regulate the location, density, and operational characteristics of large-scale developments such as data centers within unincorporated areas;

NOW, THEREFORE, BE IT RESOLVED BY THE CALDWELL COUNTY COMMISSIONERS COURT THAT:

SECTION 1. POSITION OF THE COURT

The Caldwell County Commissioners Court supports responsible economic development, including appropriately designed and sited data center facilities. However, the Court formally expresses opposition to the use of open-loop evaporative cooling systems or other high-volume potable water consumption technologies in large-scale, high continuous-load data center facilities within water-constrained regions, absent demonstrated sustainable supply and mitigation safeguards. The Court further opposes any data center development that fails to incorporate adequate safeguards to protect county resources and residents.

The Court further states that support for additional data center development in the State of Texas should be conditioned upon the implementation of comprehensive, enforceable safeguards to:

- A. Protect electric grid reliability and prevent cost burdens on residential, agricultural, and small-business ratepayers;
- B. Ensure responsible, sustainable, and transparent water use practices;
- C. Protect agricultural lands, rangelands, wildlife habitats, and natural drainage systems by requiring careful site selection, avoidance of prime farmland and ecologically sensitive areas where practicable, and appropriate mitigation of habitat fragmentation and stormwater impacts;
- D. Prevent degradation of county roads, drainage systems, and other public infrastructure; and
- E. Safeguard community welfare, public health, and environmental quality.

SECTION 2. TRANSPARENCY AND REPORTING

The Court urges the State of Texas and relevant regulatory agencies to require full and transparent public reporting of anticipated electricity demand, water usage, and infrastructure impacts for all proposed data center developments prior to final approval.

SECTION 3. INDEPENDENT IMPACT ANALYSIS

No future data center project should proceed without a rigorous, independent assessment of:

- A. Impacts on ERCOT grid reliability and transmission capacity;
- B. Impacts on regional water availability and drought contingency planning;
- C. Impacts on agricultural lands, rangelands, wildlife habitats, natural drainage patterns, and potential habitat fragmentation, including effects on prime farmland, soil integrity, and stormwater runoff;
- D. Long-term infrastructure costs borne by taxpayers; and
- E. Effects on surrounding residential, agricultural, and commercial land uses.

SECTION 4. RESOURCE SUSTAINABILITY STANDARDS

The Court encourages adoption of statewide planning and regulatory standards prioritizing sustainability, including:

- A. Integration of water-efficient or closed-loop cooling technologies;
- B. Utilization of reclaimed, recycled, or non-potable water sources where feasible;
- C. Demand response participation and load management requirements to protect grid stability.


SECTION 5. LEGISLATIVE ACTION REQUESTED

The Caldwell County Commissioners Court respectfully requests that the Governor and Texas Legislature:

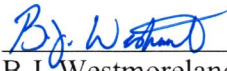
1. Designate this matter as an interim study priority for appropriate legislative committees to evaluate grid reliability, water consumption, local authority, infrastructure impacts, and fiscal implications; and
2. Consider, if circumstances warrant timely action, inclusion of this issue on the call of a Special Session of

the Texas Legislature to address urgent reliability, water supply, and local governance concerns; and
3. Enact legislation providing counties and municipalities meaningful participation and authority in land use, infrastructure planning, and resource impact review related to large-scale data center developments.


PASSED, APPROVED, AND RESOLVED this the 14th day of May, 2026.




Hoppy Haden
Caldwell County Judge




B.J. Westmoreland
Commissioner, Precinct 1



Rusty Horne
Commissioner, Precinct 2

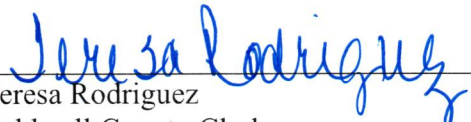


Ed Theriot
Commissioner, Precinct 3



Dyral Thomas
Commissioner, Precinct 4

ATTEST:



Teresa Rodriguez
Caldwell County Clerk

