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THE STATE OF TEXAS

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RESOLUTION 2026-1

COUNTY OF CLAY

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**RESOLUTION CALLING FOR ENHANCED REGULATION OF  
DATA CENTERS IN THE STATE OF TEXAS**

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**WHEREAS**, Clay County supports responsible economic development and recognizes that advanced technology infrastructure, including data centers and artificial intelligence facilities, will play a key role in Texas' future economy; and

**WHEREAS**, hyperscale computing facilities can require extraordinary levels of electric generation and transmission capacity, and rapid load growth, without adequate planning, could place additional strain on the ERCOT grid and local transmission infrastructure; and

**WHEREAS**, certain data center cooling technologies can require significant volumes of water, and local communities deserve transparency about projected water demand and its potential impact on regional water supplies; and

**WHEREAS**, large-scale industrial development with significant power or water demands may substantially affect local infrastructure, emergency services, and long-term land-use planning; and

**WHEREAS**, suburban and rural counties often lack the regulatory tools available to municipalities, despite being increasingly targeted for large-scale industrial and energy infrastructure development, and

**WHEREAS**, the pace of data center construction has increased exponentially across the United States and within the State of Texas, and

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

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

**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 for existing residents; and

**WHEREAS**, local concerns have emerged across Texas about 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; and

**WHEREAS**, the State of Texas electrical grid, managed by the Electric Reliability Council of Texas (ERCOT), is experiencing rapidly rising electricity demand; and

**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; and

**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; and

**WHEREAS**, Texas faces recurring drought conditions and ongoing water supply challenges across many regions of the state, affecting municipal, agricultural, and industrial water users; and

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

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

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

**WHEREAS**, under current Texas law, counties lack general zoning authority and are not granted broad land-use regulatory powers comparable to those of municipalities, thereby limiting counties' ability 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 CLAY COUNTY COMMISSIONERS COURT THAT:**

#### **SECTION 1. POSITION OF THE COURT**

The Commissioners Court supports responsible economic development, including data center facilities. However, the Court formally opposes the use of open-loop evaporative cooling systems or other high-volume potable water-consuming technologies in large-scale data center facilities within Clay County and other water-constrained regions. The Court also opposes any data center development that fails to incorporate adequate safeguards to protect County resources and existing residents. The Court further states that support for additional data center development in the State of Texas should be conditioned on the implementation of comprehensive, enforceable safeguards to:

- Protect the electric grid's reliability and prevent cost burdens on residential, agricultural, and small-business ratepayers;
- Ensure responsible, sustainable, and transparent water-use practices;
- Protect agricultural lands, rangelands, wildlife habitats, and natural drainage systems by requiring careful site selection, avoiding prime farmland and ecologically sensitive areas where practicable, and implementing appropriate mitigation of habitat fragmentation and stormwater impacts;

- Prevent degradation of county roads, drainage systems, and other public infrastructure.
- 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, transparent public reporting of anticipated electricity demand, water use, and infrastructure impacts for all proposed data center developments before final approval.

## **SECTION 3. INDEPENDENT IMPACT ANALYSIS**

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

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

## **SECTION 4. RESOURCE SUSTAINABILITY STANDARDS**

The Court encourages the adoption of statewide planning and regulatory standards that prioritize sustainability, including:

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

## **SECTION 5. LEGISLATIVE ACTION REQUESTED**

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

1. Examine policy options that would improve transparency regarding projected electricity demand and water usage of large-scale computing facilities; and
2. Designate this matter as an interim study priority for the appropriate legislative committees to evaluate grid reliability, water consumption, local authority, infrastructure impacts, and fiscal implications; and
3. Evaluate ways to ensure coordination with local governments when large-scale industrial projects may significantly affect local infrastructure, energy services, or natural resources; and
4. Consider whether counties should be granted limited authority to assess infrastructure and resource impacts associated with hyperscale industrial developments; and
5. Consider, if circumstances warrant timely action, including this issue on the call for a Special Session of the Texas Legislature to address urgent reliability, water supply, and local governance concerns; and

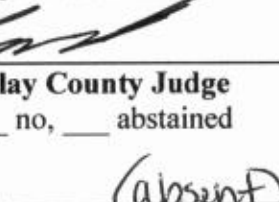
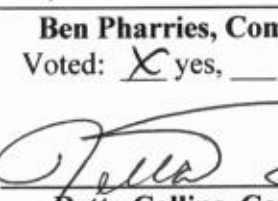
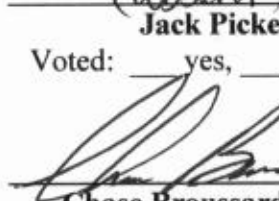
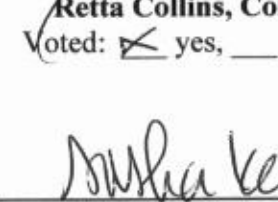
6. Enact legislation that provides counties and municipalities meaningful participation and authority in land use, infrastructure planning, and resource-impact review for large-scale data center developments.

**SECTION 6. DISTRIBUTION**

Copies of this Resolution shall be transmitted to:

- Greg Abbott, Governor of Texas;
- Dan Patrick, Lieutenant Governor of Texas;
- Brent Hagenbuch, Texas State Senator;
- James Frank, Texas State Representative;
- The Public Utility Commission of Texas;
- The Texas Commission on Environmental Quality;
- The Electric Reliability Council of Texas;
- The Texas Water Development Board; and
- Appropriate regional and local governmental bodies.

Said Resolution was moved and approved on this, the June 22, 2026.

 <hr/> <p><b>Mike Campbell, Clay County Judge</b>  Voted: <input checked="" type="checkbox"/> yes, ___ no, ___ abstained</p>	 <hr/> <p><b>Jack Pickett, Comm. Pct. 2</b>  Voted: ___ yes, ___ no, ___ abstained</p>
 <hr/> <p><b>Ben Pharries, Comm. Pct. 1</b>  Voted: <input checked="" type="checkbox"/> yes, ___ no, ___ abstained</p>	 <hr/> <p><b>Chase Broussard, Comm. Pct. 4</b>  Voted: <input checked="" type="checkbox"/> yes, ___ no, ___ abstained</p>
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**ATTEST: Sasha Kelton, County Clerk**

