



**RESOLUTION OF THE HAYS COUNTY COMMISSIONERS COURT ESTABLISHING A
TEMPORARY EMERGENCY WATER PROTECTION REVIEW PERIOD AND ESTABLISH
THE HAYS COUNTY SIGNIFICANT WATER DEMAND DEVELOPMENT REVIEW
BOARD**

STATE OF TEXAS §
 §
COUNTY OF HAYS §

WHEREAS, Hays County is experiencing prolonged and severe drought conditions, leading to historic declines in regional aquifer levels and diminished water availability; and

WHEREAS, the ongoing drought threatens the public health, safety, and welfare of county residents by increasing the emergency response burden, straining infrastructure, and compromising essential fire suppression needs; and

WHEREAS, Texas Health and Safety Code Chapter 366 and Texas Commission on Environmental Quality (TCEQ) rules designate Hays County as an Authorized Agent with direct regulatory authority over On-Site Sewage Facilities (OSSF); and

WHEREAS, certain industrial-significant-water-use projects present significant risks to public health and groundwater quality due to potential soil suitability limitations, system capacity overloads, and increased stormwater runoff risks; and

WHEREAS, large-scale, industrial-significant-water-use developments require technical and environmental evaluations that extend beyond the standard administrative resources available within county government; and

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

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; 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 of existing residents; and

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; and

WHEREAS, projection data 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, the Commissioners Court seeks to evaluate and model these impacts to establish lawful, health-based standards without implementing countywide zoning; and

WHEREAS, the direct, on-site water consumption of proposed data centers and similar computing facilities constitutes only one component of the total water demands associated with such projects, and

the substantial electrical loads required to operate those facilities impose additional indirect strain on available water supplies and costs through the water-energy nexus, including water used in electric generation and related infrastructure serving those demands.

WHEREAS, Article XVI, Section 59 of the Texas Constitution declares the conservation and preservation of the State's water and other natural resources to be public rights and duties and further provides that the Legislature has responsibility to pass all such laws to protect these rights; and

WHEREAS, effectively protecting shared groundwater resources requires unified regional cooperation among neighboring counties and groundwater conservation districts, as well as enhanced statutory authority from the State of Texas to properly regulate the unique impacts of industrial-significant-water-use projects;

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; and

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;

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 COMMISSIONERS COURT OF HAYS COUNTY, TEXAS:

SECTION 1. ESTABLISHMENT OF TEMPORARY EMERGENCY REVIEW PERIOD

The Hays County Commissioners Court hereby institutes a temporary emergency water protection review period. During this review period, the Commissioners Court shall defer consideration of discretionary approvals associated with Industrial-significant-water-use projects to the extent such matters are lawfully subject to the discretion of the Court for the above listed reasons. Such discretionary approvals include, but are not limited to, tax abatement agreements, tax rebate agreements, development agreements, variance requests and other discretionary approvals outlined by the Hays County Development Regulations. This temporary review applies strictly to specific categories of discretionary approval within the County's existing statutory and regulatory jurisdiction, creates no new regulatory or permitting authority and shall not be construed as countywide zoning.

SECTION 2. DURATION AND AUTOMATIC EXPIRATION

This emergency review period shall remain in effect until December 31, 2026.

SECTION 3. DEFINITION OF INDUSTRIAL SIGNIFICANT-WATER-USE PROJECT

For the purposes of this resolution, an "Industrial Significant-Water-Use Project" is defined as any industrial development, or operation meeting any of the following measurable thresholds:

1. The applicant requests, represents, or submits materials reflecting anticipated water demand more than 25,000 gallons of water per day for an industrial use; or
2. The project includes data-processing, server-hosting, cloud-computing or comparative facilities designed for an electrical load of five megawatts or greater; or
3. The project includes industrial cooling operations requiring more than 10,000 gallons of water per day of ongoing water use for thermal management; or
4. The project includes one or more On-site Sewage Facilities (OSSF) subject to review under TCEQ rules due to system size, site conditions, wastewater volume or surface-water and groundwater concerns, and demand more than 25,000 gallons of water per day for an industrial use.

SECTION 4. WRITTEN FINDINGS

The Commissioners Court bases this temporary action on the following documented emergency conditions:

1. **Aquifer Levels:** Historic drops in the Trinity and Edwards Aquifers threaten local-well sustainability and residential water security.
2. **Drought Declaration:** Active local and state drought declarations confirm persistent water scarcity.
3. **Water Availability:** Declining surface and groundwater supplies limit reliable availability for new massive demands.
4. **OSSF Limits:** High-volume wastewater discharges risk exceeding local soil absorption capabilities, resulting in potential system failures and environmental contamination.
5. **Runoff Risk:** Large-scale industrial footprints significantly increase impervious cover, creating severe stormwater runoff, flooding, and localized aquifer recharge contamination risks.
6. **Emergency Response Burden:** Water scarcity severely limits the county's capacity to handle concurrent emergency events.
7. **Fire Suppression Needs:** Depleted water reserves compromise the critical infrastructure required for active firefighting operations.
8. **Infrastructure Impacts:** Rapid, uncoordinated water hauling, and heavy industrial construction traffic threaten the physical integrity of county transportation infrastructure.

SECTION 5. STATE DROUGHT PROCLAMATION ALIGNMENT

The Commissioners Court hereby directs the Office of Emergency Management (OEM) and County legal staff to identify all lawful emergency management tools available under the active state-issued drought disaster proclamation, including but not limited to what authority the County has to ensure proper movement between the various stages of drought restrictions by special utility districts. The county shall not claim or exercise any authority not clearly delegated by said proclamation.

SECTION 6. CREATION OF THE HAYS COUNTY SIGNIFICANT WATER DEMAND DEVELOPMENT REVIEW BOARD

The temporary review period shall serve as the implementation period for the **Hays County Significant Water Demand Development Review Board ("Review Board")**, an advisory body to the Commissioners Court and Development Services Department for the review of proposed industrial-significant- water-demand developments, including data centers, large-scale industrial facilities, and other projects with significant water demands.

The Review Board shall consist of representatives, who are Hays County residents, appointed by the Commissioners Court, including but not limited to elected officials, Development Services staff, water resource professionals, emergency services representatives, development stakeholders, and members of the public with relevant expertise.

The Review Board is directed to:

1. Evaluate proposed industrial-significant-water-demand developments and their potential impacts on water availability, aquifers, public infrastructure, emergency services, and long-term drought resiliency.
2. Review water availability studies, utility commitment letters, drought contingency plans, conservation measures, and other supporting documentation submitted by applicants.
3. Provide written findings and recommendations to the Commissioners Court regarding the potential impacts of proposed developments on the public health, safety, and welfare of Hays County residents.
4. Recommend policies and development review standards related to industrial-significant- water-demand projects for consideration by the Commissioners Court.
5. Review and make recommendations to the **Hays County Significant Water Demand Development Review Checklist** (Exhibit A); Such recommendations may also consider other environmental and public health risks, including noise, air quality and the general welfare and orderly growth of the unincorporated areas of the county. This checklist, while not required, shall be published on the County's website and the County, in the strongest possible terms, urges developers involved in Industrial Significant-Water-Use Projects to follow the checklist prior to developing in Hays County.

SECTION 7. CALL FOR JOINT ENVIRONMENTAL REVIEW

The Commissioners Court hereby issues a formal call to neighboring counties, local groundwater conservation districts and regional water authorities to initiate a collaborative, joint regional environmental review. This joint effort shall aim to study the cumulative, transboundary impacts of industrial-significant-water-use projects on regional aquifers, map shared vulnerabilities and establish unified data-sharing protocols to preserve regional water security.

SECTION 8. PETITION FOR SPECIAL LEGISLATIVE SESSION

The Commissioners Court hereby authorizes the submission of a formal petition to the Governor of Texas, requesting the call of a special legislative session. This petition shall urgently request that the Texas Legislature expand the statutory authority of Texas counties, granting them localized powers to protect vulnerable surface-water and groundwater resources and directly regulate the water-availability and infrastructure impacts of industrial-significant-water-use projects within their jurisdictions. The Court further encourages adoption of statewide planning and regulatory standards prioritizing sustainability, including:

1. Integration of water-efficient or closed-loop cooling technologies;
2. Utilization of reclaimed, recycled, or non-potable water sources where feasible;
3. Demand response participation and load management requirements to protect grid stability;
4. Decommission bonds for removal of related infrastructure should the data centers no longer be in use.

EXHIBIT A: INDUSTRIAL-SIGNIFICANT-WATER-USE DEVELOPMENT REVIEW CHECKLIST

Applicants for any development meeting the thresholds of an "Industrial-Significant-Water-Use Project" under Section 3 are requested to submit a completed Review Package containing the following engineering data, independent impact studies, and local transparency reports to the County Development Services Department. This does not in any way affect the applicant's requirements or obligations elsewhere required under law or local regulations.

1. Resource Consumption Projections (Water & Power)

- **Daily & Peak Water Demands:** Provide certified projections for total daily water consumption (in gallons per day), explicitly identifying all planned sources (e.g., public water supply, groundwater wells, surface water, or hauled water). Additionally, provide the location, number, use, and type of any groundwater wells currently on the property and that are reasonably planned to be drilled.
- **Cooling System Specifications:** Submit comprehensive mechanical engineering data for any evaporative cooling, closed-loop cooling, or alternative industrial cooling systems.
- **Power Grid Impact Study:** Disclose total projected megawatt (MW) demand, substation requirements, and a formal service availability and grid reliability assessment from the local electric utility provider.

2. Environmental & Wastewater Management

- **Large-Capacity OSSF Design:** Provide detailed engineering plans for On-Site Sewage Facilities, including comprehensive localized soil suitability analyses, hydraulic loading rates, and long-term absorption capability studies matching peak capacity.
- **Stormwater Runoff & Flooding Model:** Submit pre- and post-development hydrology reports measuring the impact of expanded impervious cover on local drainage basins, along with a stormwater pollution prevention plan (SWPPP).
- **Air Emissions & Off-Grid Energy:** Provide compliance documentation and copies of TCEQ permit applications for all heavy equipment, auxiliary facilities, or emergency diesel backup generators. Additionally, provide sufficient setback and native vegetative buffers to all neighboring properties, with a special effort to leave well established trees.
- **Potential Pollutants in a Spill:** Provide a list of all chemicals that will be mixed into the lines of the cooling system and / or wastewater system as well as a comprehensive standalone independent environmental impact study.

3. Community Impact & Infrastructure Protection

- **Traffic Impact & Road Damage Assessment:** Submit a comprehensive Traffic Impact Analysis (TIA) factoring heavy vehicle loads during construction and operations, paired with a proposed infrastructure protection agreement to remedy damage to county roadways.
- **Noise & Light Pollution Controls:** Provide an independent acoustic engineering report proving compliance with local quality-of-life standards, explicitly modeling continuous low-frequency hums from industrial cooling units or generator testing.
- **Site Plan & Future Expansion Layout:** Submit visual architectural renderings, localized facility setbacks from property boundaries, and clear project framing for any future phased footprint expansions.

4. Mandatory Public Notice & Community Transparency

- **On-Site Physical Signage:** Provide proof of installation for highly visible, weather-resistant structural placards placed at the street-facing perimeter of the proposed site, detailing the nature of the industrial-significant-water-use application.
- **Formal Media Announcements:** Provide affidavit proofs of published public notices detailing

the project specs, run consecutively in regional newsprint and local digital media outlets.

• **Public Disclosure of Monetary Contribution:** Provide disclosure of any monetary contributions made by any representative or associated party of the applicant to any and every member of the Commissioners Court.

ADOPTED THIS THE 23RD DAY OF JUNE 2026

Ruben Becerra
Hays County Judge

Debbie Gonzales Ingalsbe
Commissioner, Pct. 1

Dr. Michelle Cohen
Commissioner, Pct. 2

Morgan Hammer
Commissioner, Pct. 3

Walt Smith
Commissioner, Pct. 4

ATTEST:

Elaine H. Cárdenas, MBA, PhD
Hays County Clerk