

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CONSOLIDATED WATER SUPPLY CORPORATION SUPPORTING RESPONSIBLE WATER RESOURCE PLANNING FOR DATA CENTER DEVELOPMENT, SUPPORTING THE ESTABLISHMENT OF A LOCAL GROUNDWATER CONSERVATION DISTRICT IN HOUSTON COUNTY, AND REQUESTING STATE ACTION TO ENSURE THE PROTECTION OF PUBLIC WATER SUPPLIES.**

WHEREAS, The Consolidated Water Supply Corporation ("Consolidated") is a member-owned, nonprofit utility providing water service to more than 16,800 rural residents in Houston, Anderson, and Walker Counties, Texas; and

WHEREAS, Texas has become a national leader in the development of data centers, artificial intelligence infrastructure, facilities that can require substantial quantities of water and are advancing at an unprecedented pace; and

WHEREAS, state and federal policymakers have increasingly recognized the need to address the electric reliability impacts of large-scale data center development, yet comparable statewide policies do not presently exist to ensure that associated water demands are adequately evaluated, planned for, and managed before development occurs; and

WHEREAS, groundwater resources are critical infrastructure that support public drinking water supplies and may require decades or longer to recover from excessive withdrawals; and

WHEREAS, in response to large-scale groundwater demand, local stakeholders have diligently pursued the statutory Texas Commission on Environmental Quality petition process for the creation of a Houston County Groundwater Conservation District and have invested significant time and resources toward that effort; and

WHEREAS, the Texas Commission on Environmental Quality deemed the Houston County Groundwater Conservation District petition to be administratively complete on May 1, 2026, and significant time has elapsed without advancement of the petition; and

WHEREAS, in the absence of a comprehensive statewide framework for evaluating the water demands associated with large-scale data center development, the continued absence of local groundwater management authority leaves Consolidated's stakeholders and neighboring communities particularly vulnerable to the impacts of substantial new groundwater demands;

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF CONSOLIDATED WATER SUPPLY CORPORATION:

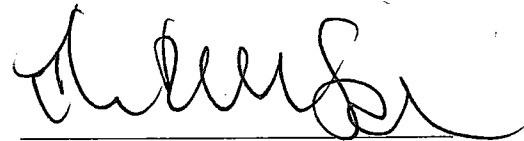
1. Supports responsible economic development that is compatible with the long-term protection of public water supplies and groundwater resources.
2. Encourages the State of Texas to evaluate the water resource impacts of large-scale data center developments, including projected groundwater demands, sustainability of proposed water supplies, conservation measures, and potential impacts to existing users.

3. Requests the State of Texas adopt policies that protect existing water users, prioritize public drinking water and agricultural needs, encourage the use of alternative water supplies, including reclaimed water, treated produced water, and brackish groundwater, and encourage exceptionally large new water users to invest in aquifer recharge and other measures that support long-term water sustainability.

4. Supports timely advancement of the Houston County Groundwater Conservation District petition so that local stakeholders may participate in the responsible management and protection of groundwater resources while state-level safeguards are under consideration.

5. Urges state leaders to recognize that water infrastructure and groundwater resources are no less essential than electric infrastructure and should be afforded comparable consideration when addressing the impacts of large-scale data center development.

PASSED AND APPROVED this 9<sup>th</sup> day of June, 2026.



President, Board of Directors  
The Consolidated Water Supply Corporation

ATTEST:



Secretary-Treasurer, Board of Directors