

JUDGE'S SPECIAL REPORT

June 4, 2026

I would like to begin with some information I researched regarding questions that I have been asked related to AI data centers. We all have questions and that includes me. I have diligently been attempting to educate myself about the rapidly growing AI data center industry and have researched multiple companies in the industry.

The first questions on most people's minds are, what are these data centers and what do they contribute to our world? According to IBM's Alexandra Jonker and Alice Gomstyn, an AI data center is a facility that houses the IT infrastructure needed to train, deploy and deliver artificial intelligence applications and services.¹ Basically, these facilities house ultra-fast supercomputers. They process petabytes (1,024 terabytes or 1 quadrillion bytes) of raw data that train complex machine learning. Whether you intend to or not, you are utilizing these services on a daily basis and are contributing to the demand for the rapid growth of AI data centers. Our phones, cars, TV's, office software systems, security systems, etc. all need the services of these supercomputers in order to work properly.

I have very mixed thoughts about the pros and cons of this industry. While I would like to have the time and be able to see more long-term evidence of the effects of this industry on our communities, the pace at which its growth is occurring may not allow us to experience that before it is already a part of our County. Hopefully, the Texas State Legislature will step in at some point (sooner rather than later) and put safeguards and/or regulations in place in order to give everyone a chance to "catch up" and determine if it is something we are willing to support. A similar situation occurred when wind energy was introduced into the Texas Panhandle. It was new and no one truly knew what to expect. Regulations were non-existent and had to be put in place. This takes time. Time is something we don't seem to have a lot of right now.

Since, at this time, we cannot stop the progress of this industry, the alternative is to do everything we can to reap the benefits from one of these data centers becoming a part of our County. We are fortunate that our County is not the first to deal with this situation. There are several other Panhandle Counties that have already worked through this process. And, I am lucky to have good working relationships with the leaders in these counties who were on the ground floor of the negotiations that produced significant permanent infrastructure improvements to those counties at the expense of the data center company and not the taxpayers. One county has even been able to reduce its property tax rate while at the same time substantially and overwhelmingly increasing its tax base and revenues.

I still have substantial concerns about the negative effects this industry has on our agricultural community. The degradation of our agricultural community is my greatest reservation about supporting an AI data center in our County. Agriculture is the most important industry in the world! All other industry depends on agriculture to survive and will fail to prosper if agriculture struggles. It is literally the only industry that exists that if it collapses or fails, we all die. The more farmland that is taken out of production, the more difficult it is for agriculture to do what it does to keep the world fed, clothed and housed. Without agriculture humanity will face global starvation, social collapse and economic devastation, including the halt of technological advancement.

¹Jonker, Alexandra and Alice Gomstyn. (2026). *What is an AI Data Center?* IBM.com <https://www.ibm.com/think/topics/ai-data-center>

In an attempt to think outside the box, I sent an email to my connections at Google suggesting that they look in to developing and designing rainwater collection systems for the data centers they are constructing and the workforce facility compound East of Mobeetie. Properly engineered, these systems could potentially fully service, or at a minimum supplement cooling water usage for the data centers and/or provide water for landscaping at any of these facilities. A 500,000ft² AI data center building (if located in Wheeler, Texas, with an average of 23.7 inches of rainfall/year) can potentially yield a net of approximately 5,900,000 gallons of rainwater per year! If you're interested the calculation is:

Collection area in square feet X Yearly average rainfall in inches X .623 X .80

Most data center locations have multiple buildings. Therefore, if there were 6 buildings of this size on site and each building were to have a rainwater collection system, that facility could collect approximately **35,400,000** gallons of water each year!

Google's Andrew Hart sent me an email recently providing information about Google's intentions to implement operational standards designed to protect and potentially improve local water resources. His email stated:

"I'm thrilled to share an important update to Google's investment in Texas and our new and existing initiatives to protect local water resources. We are proud to announce both our commitment to responsible operating standards and a Water Impact Fund to support infrastructure across the State of Texas.

Data centers are the nerve centers of the digital world, powering essential services from online banking to 911 systems. While we rely on water cooling to reduce our data centers' energy use by roughly 10%—which helps alleviate stress on the local energy grid and lowers emissions—we recognize that our growth must not come at the expense of the communities we call home and have served for many years.

This is not new. See our 2026 water stewardship portfolio already active in the state and across the world at <http://sustainability.google/reports/water-stewardship-project-portfolio>.

Today, we're committing even more. Google is announcing a comprehensive set of water stewardship commitments (see below). I want to draw your attention specifically to our new investments in Texas.

*As part of a new nationwide initiative to advance water stewardship, we are launching a **\$10 million Texas Water Impact Fund**. This fund is dedicated to supporting community water infrastructure and expanding access across the State of Texas.*

*To ensure we are responsibly managing the water resources critical to Texas, **Google is committing to the following operational standards:***

- ***Replenish more freshwater than we consume at our sites by 2030:*** We aim to replenish more freshwater volume than we consume, on average, across our office and data centers by 2030.

- ***Help modernize water and wastewater infrastructure for our neighbors:*** In addition to paying for the water we use, to date Google has committed over \$500 million to the development of water, wastewater, and water reuse infrastructure and to the utility partners that deliver water in the communities where we operate/build data centers.
- ***Protect at-risk watersheds with air-cooled solutions.*** We are prioritizing air-cooling in at-risk watersheds to protect local resources.
- ***Report our annual water use transparently.*** We continue to be a leader in disclosing our annual water use at the local level.
- ***Pursue alternative and reclaimed solutions to protect water resources.*** We are scaling the use of reclaimed and recycled water for our cooling needs.

We are committed to being a responsible partner to the State of Texas and ensuring that our technological footprint supports, rather than strains, local watersheds.”

I hope this information is helpful and I look forward to preparing the next regular report which will be published and posted the first week of July. If anyone has certain questions they would like addressed in the next Judge’s Report, please feel free to email those to me at chalone.hefley@co.wheeler.tx.us . I hope everyone will keep seeking the positive and in all you do, do it with all your heart, as to the Lord. Colossians 3:23

Sincerely,

Chalone S. Hefley

Wheeler County Judge