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The Politics of Water and Economic Development

Christopher D. Lloyd, SVP and Director, Infrastructure and Economic Development

April 9, 2026

Reuters

World Business Markets Sustainability Legal More

Eli Lilly to make weight-loss pill in new $6.5 billion Texas plant

By **Patrick Wingrove**

September 23, 2025 5:57 PM EDT · Updated September 23, 2025

24/7 Live

BUSINESS

JetZero to build manufacturing facility in NC, create more than 14K jobs; investment of $4.7B

By Michael Perchick

Thursday, June 12, 2025

AXIOS Phoenix

News Things to Do Politics Food and Drink Real Estate •••

3 hours ago - News

TSMC eyes more Arizona land to grow semiconductor "gigafab"

Jessica Boehm

AstraZeneca announces $4.5 billion pharmaceutical plant in Albemarle County

Company's largest facility worldwide will bring 600 permanent jobs to Route 29 corridor

OHIO CAPITAL JOURNAL

COMMENTARY CIVIL RIGHTS POLITICS & GOV HEALTH CARE EDUCATION PUBLIC CORRUPTION

UNCATEGORIZED

Gov. DeWine lands biggest jobs deal in Ohio history with defense company Anduril's new plant

It's not clear yet how much officials promised the company in incentives

BY: **NICK EVANS** - JANUARY 16, 2025 5:25 PM

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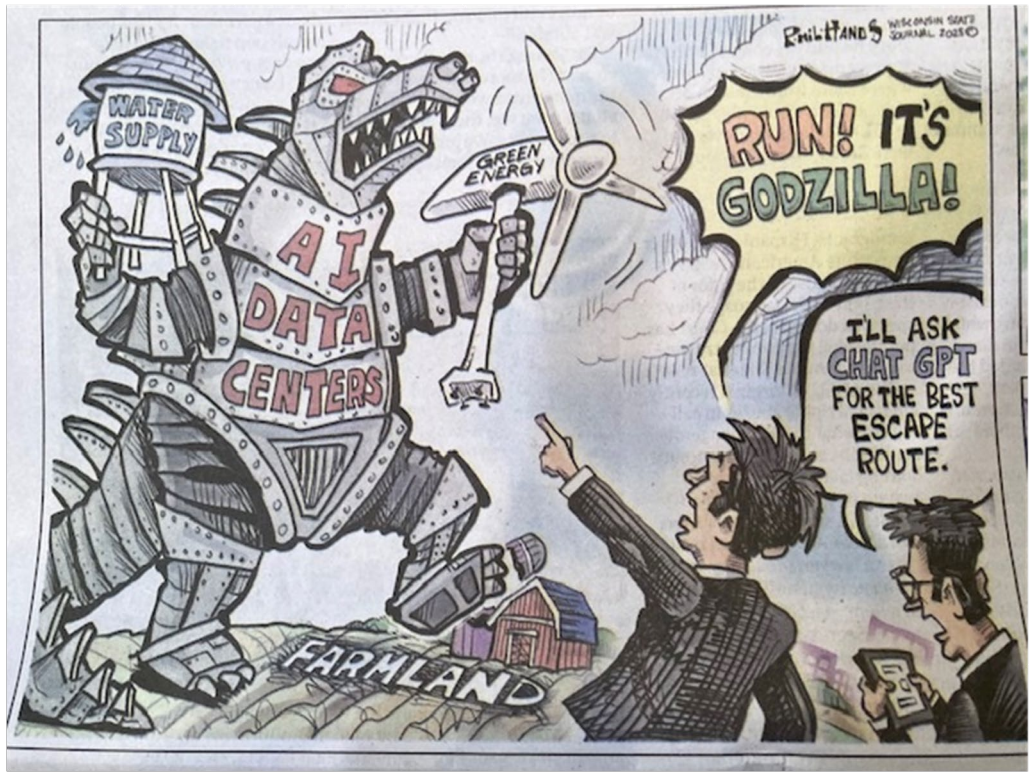
PHIL HANDS WISCONSIN STATE JOURNAL 2025
WATER SUPPLY
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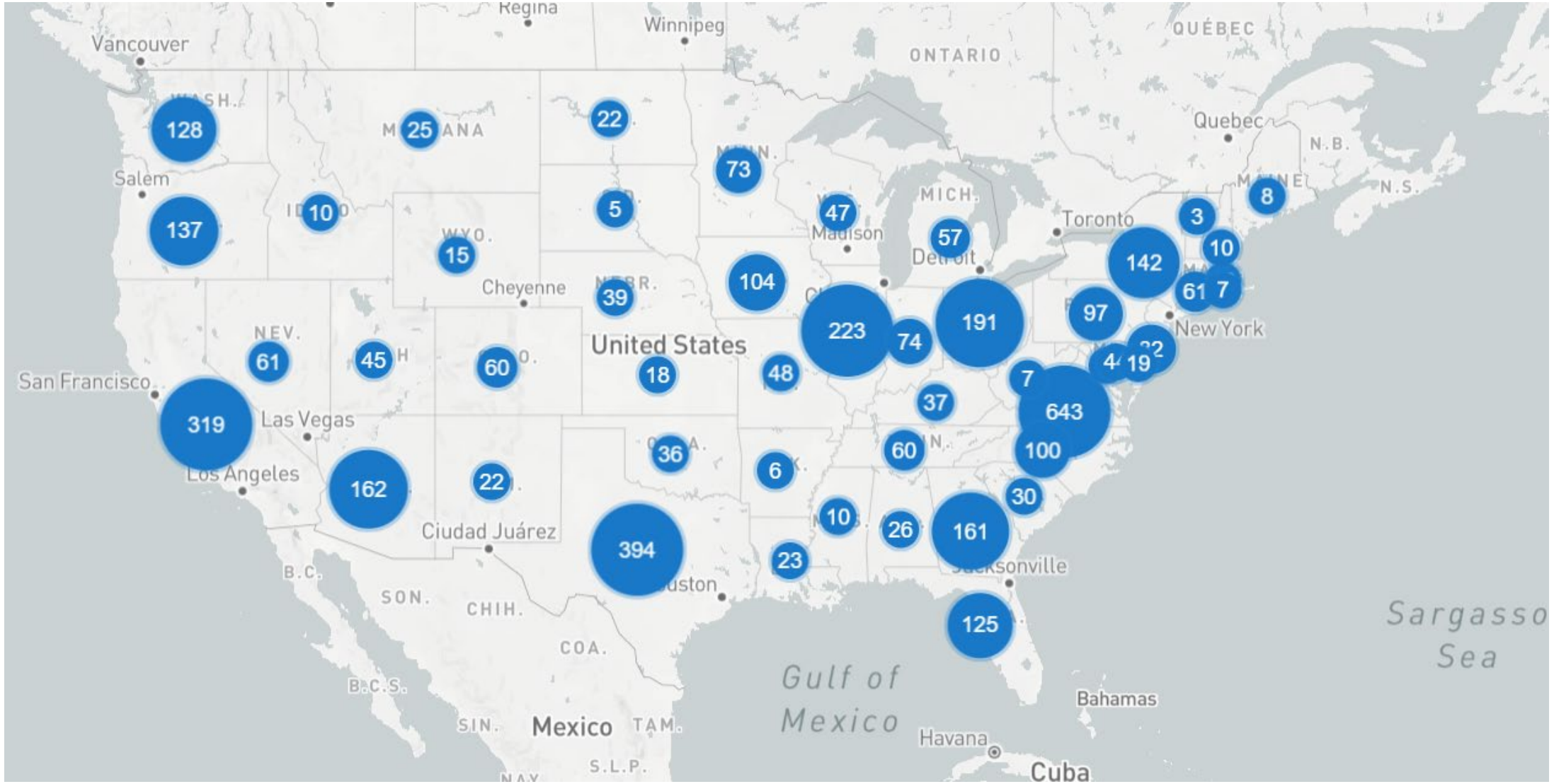
AI DATA CENTERS
FARMLAND
RUN! IT'S GODZILLA!
I'LL ASK CHAT GPT FOR THE BEST ESCAPE ROUTE.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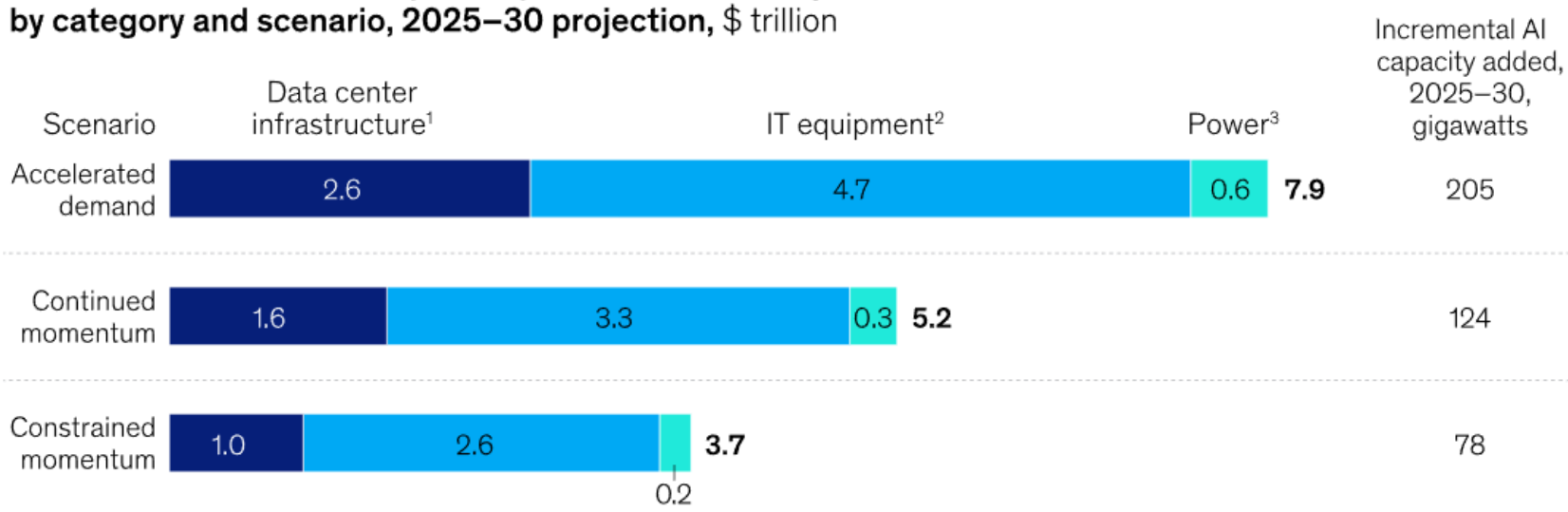
Capital investments to support AI-related data center capacity demand could range from about $3 trillion to $8 trillion by 2030.

Global data center total capital expenditures driven by AI, by category and scenario, 2025–30 projection, $ trillion



Note: Figures may not sum to totals, because of rounding.
[1]Excludes IT services and software (eg, operating system, data center infrastructure management), since they require relatively low capex compared with other components.
[2]Includes server, storage, and network infrastructure. IT capex also accounts for replacing AI accelerators every 4 years.
[3]Assumes $2.2 billion–$3.2 billion/gigawatt (including power generation and transmission cost) to account for a range of power generation scenarios (eg, fully powered by gas, a combination of gas power and storage, and solar) and regional cost differences. Distribution cost is neglected, as most AI centers are expected to be >50 megawatt scale and connected to a transmission grid.
Source: McKinsey Data Center Capex TAM Model; McKinsey Data Center Demand Model

McKinsey & Company

What's Driving Data Center Growth?

- Each home in the U.S. has an average of **16 connected devices**
- **Every day**, Netflix users stream **203,840,000 hours of content**
- **98% of Americans have a smart phone**
- Google Maps/Waze use is, on average, **269 minutes per month per user**
- **Google Maps receives updates at a remarkable rate of 200 contributions per second,** amounting to **200 million pieces of data from users every day,** ensuring constant currentness
- Banking is now digital, with around **77-85% of U.S. adults banking online** at least partially, primarily via mobile apps (around 55%) or web browsers
- Travel bookings are now made online, with estimates ranging from **around 70% to 74% of total bookings in 2024/2025**

AI USE

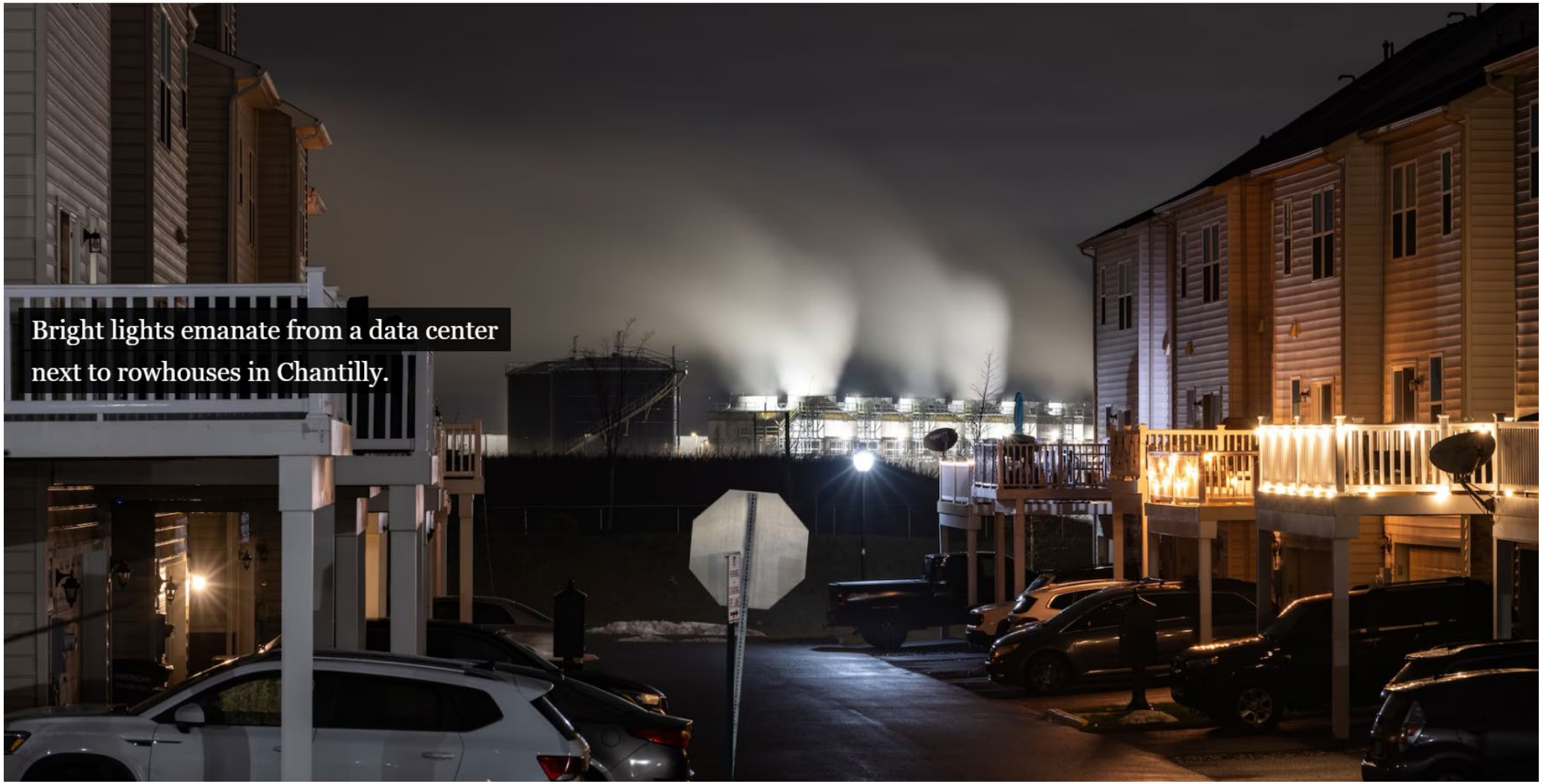
Americans were given a list of eight activities, some of which were included in Quinnipiac University's April 16, 2025 poll on AI, and asked whether they have used AI tools for:

- Researching topics they are curious about: 51 percent say yes, up from 37 percent in April 2025;
- Writing something for them: 28 percent say yes;
- School or work projects: 27 percent say yes, while 24 percent said yes in April 2025;
- Analyzing data: 27 percent say yes, up from 17 percent in April 2025;
- Creating images: 24 percent say yes; up from 16 percent in April 2025;
- Medical advice: 20 percent say yes;
- Personal advice: 15 percent say yes;
- Companionship: 5 percent say yes.

Twenty-seven percent of Americans volunteered that they have never used AI tools, down from 33 percent in April 2025.

Water Consumption/Year in the US

- Agriculture – 118 billion gallons/**day** for irrigation (USGS)
- Beef – 21.2 trillion gallons (University of Nebraska)
- Golf Courses – 547 billion gallons (USGA)
- Data centers – 17 billion gallons
- Soft drinks – 11.9 billion gallons



Bright lights emanate from a data center next to rowhouses in Chantilly.


0:14 / 3:14

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The Washington Post
Democracy Dies in Darkness

The data center rebellion is here, and it's reshaping the political landscape

As the buildout of AI infrastructure alarms communities, it is fast emerging as a potent electoral issue across the political divide.

January 6, 2026

"We know Trump wants data centers and Kevin Stitt wants data centers, but these things don't affect these people," said Brian Ingram, a Trump voter living in the shadow of the planned project. "You know, this affects us."

Ingram was standing before a homemade sign he planted on his front lawn that said, "Jesus Was Born on Ag Land."

Chair of the Environmental Justice Collaborative Elizabeth Gore speaks out against the Metrobloks data center proposal at a press conference on Nov. 17, 2025 in Martindale Brightwood. (Photo provided/Protect Martindale Brightwood Coalition)

THE DONALD TRUMP EFFECT

New data center plans draw less support if Trump is mentioned

Share of adults, split by their 2024 vote and those who are undecided in their midterm vote, who support a plan to **build more data centers in the U.S.** and those who support a plan **backed by Trump to advance AI models by building more data centers** in the U.S.

The poll surveyed 2,093 U.S. adults from Jan. 16 to 19, and has an overall margin of error of ±2 percentage points. Smaller subgroups have higher margins of error.

Source: The POLITICO Poll with Public First

Anna Wiederkehr/POLITICO

Policy Trends Related to Water and Data Centers

- Virginia - HB 496/SB 553 – requires water utilities to disclose in their DEQ reports the amount of water consumed by data centers (both potable and reclaimed)
- Virginia HB 153/SB 94 – Requires site assessment of data center sites to review sound profiles along with impacts on water, parks, historical properties
- Michigan SB 237 (2024) – Ties SUT exemption to:
  - Using water efficient fixtures and practices.
  - Treating, infiltrating, and harvesting rainwater.
  - (Recycling water before discharging.
  - Partnering with local water utilities to use discharged water for irrigation and other water conservation purposes.
  - Using reclaimed water if possible for data center operations.
  - Supporting water restoration in local watersheds.
  - *On being placed in service, the facility will use municipal water sourced from a municipal water system that has available capacity to serve the facility, and a qualified entity or its affiliates claiming the exemption will certify to the Michigan strategic fund in accordance with subsection (6)(c) that this requirement is met.*

Strategies for Water Agencies

- Identify and secure NOW additions to rights of way to expand water availability
- Develop plans to rapidly scale water availability
- Evaluate water reuse opportunities in your community
- Consider rate structures that encourage water conservation/reuse in industrial settings
- Have a policy on when to execute confidentiality agreements
- Prepare “facts” document regarding industrial water use in the community
- Leverage public-private partnerships to add new infrastructure

Questions or Comments?