



What You Need to Know About Data Centers & Water

Protecting Our Customers & Planning Responsibly.

We plan for responsible growth so that customers remain protected, water resources are preserved, and service stays dependable and affordable.

Data centers are a growing customer segment in many communities across the nation. Regulated drinking water providers will evaluate these projects on a case-by-case basis with a focus on their first responsibility: **providing safe, reliable and affordable water service to existing customers.**

Large water-service requests are not approved automatically. Before service is committed, each proposal must undergo careful engineering review, long-term water-supply planning and an assessment of available treatment and delivery capacity. This information is provided to local planning agencies, such as cities and counties, who make the final determination on local data center projects. Clear service conditions and appropriate customer protections must also be in place.

Our Commitment:

CUSTOMERS FIRST, ALWAYS

Protecting reliable service and community water supplies

Existing customers come first. A proposed data center should not compromise water quality, strain local water resources or diminish reliable service for current customers and future community growth.

Each project will be evaluated individually, based on local water conditions, community needs and available system capacity. Water service should be committed only when sufficient supply, treatment and infrastructure capacity can be demonstrated.

What This Means for Customers:

Our approach is straightforward:

- Reliable service remains the priority.
- Community water supplies will be carefully protected.
- Project-specific costs should not be shifted to existing customers.
- Necessary infrastructure must be ready before service begins.
- Data centers will be expected to use water responsibly.

If data center projects can be supported safely, sustainably and fairly, they may move forward. But growth should not come at the expense of the water quality, reliability or affordability that customers depend on every day.



Data centers must cover their own costs

Existing residential and business customers should not be asked to subsidize the cost of serving a new data center.

Data center developers should bear the full cost of the infrastructure and capacity required to serve their projects, not existing customers. Depending on a facility's size and operating profile, utilities will use appropriate rates, service terms, contracts and financial safeguards to ensure project-related costs, risks and stranded investments stay with the developers who create them, not the customers who don't.

Following the Appropriate Review Process

Every major service request must proceed through the applicable planning, engineering, regulatory and service-approval processes.

That review includes coordination with local governments, regulators, community planners, and other stakeholders. This case-by-case process allows regulated water providers and communities to evaluate a proposal's water needs, infrastructure requirements and long-term effects before decisions are made.

We remain committed to advancing the conservation goals outlined in the California Public Utilities Commission's Environmental and Social Justice (ESJ) Action Plan and supporting the State Water Resources Control Board's Racial Equity Action Plan. These commitments will inform data center project planning and review, including attention to affordability, equitable community impacts, climate resilience, inclusive engagement and transparent decision-making.

Planning and Funding Infrastructure Before Service Begins

When a project requires new facilities, additional supply or system upgrades, those improvements must be identified, planned and funded before water service begins.

This helps ensure that a data center does not take capacity needed by existing customers or place the financial burden for project-specific improvements on the broader customer base.

Expecting Responsible Water Use

Data centers should be expected to manage water responsibly and pursue practical ways to reduce potable water demand.

Depending on the project and local conditions, those measures may include:



Water reuse



Recycling



Efficient cooling technologies



Additional water-efficiency practices & tools

Clear service conditions can reinforce expectations for efficiency, responsible operation and long-term water planning to conserve California's most precious resource.