



**CENTRAL NEVADA REGIONAL WATER AUTHORITY**  
**POLICY STATEMENT ON**  
**DATA CENTERS**  
Adopted 17, 2026

**BACKGROUND**

As our reliance on computers, mobile devices, and the internet grows, the need for data centers, the facilities that house the technology powering global computing, will keep rising. Data centers range in complexity and size from portable (modular) units to hyperscale facilities purpose-built for massive compute and data storage that house thousands of servers.

Nevada is an emerging data center market. Data centers are moving to the State due to a number of factors; supportive government policies, including tax incentives, inexpensive land, disaster-free environment and proximity to California tech hubs. The website [DataCenterMap.com](http://DataCenterMap.com) currently lists 68 data center locations planned, under construction, or operational in Nevada. This rapid proliferation of data centers presents opportunities for job creation, tax revenue and infrastructure development but also has significant implications for both energy and water availability. The full scale and potential environmental impacts of the developments aren't always known because the footprint, energy needs, and water requirements are proprietary and often not fully disclosed. There are some water-intensive data centers in Southern Nevada but since 2023 evaporative cooling has been banned by the Southern Nevada Water Authority. The City of Reno has put a pause on approving new data centers pending further analysis and possible development of mechanisms to avoid impacts and safeguard water resources. These issues may accelerate the movement of centers to Nevada's rural counties.

A data center's water footprint is calculated as the sum of three categories: on-site water usage, water use by power plant facilities that supply power to data centers, and water consumption during the manufacturing process of processor chips. The impact to local water resources used for cooling is of most concern in Nevada, the Nation's most arid State where all surface water is allocated and over half of its 256 groundwater basins are over-appropriated. The water used by a data center may be a small amount for a few queries, but it's all being taken from a basin where that data center is located from people who are likely doing their AI queries from outside the basin and even the State. Also, data centers are getting larger. Even if the per-energy-unit of water consumption decreases, total water consumption increases with the larger facilities.

Complex computing requires large amounts of cooling water. Data centers are inherently hot because servers and computing equipment generate massive amounts of heat, requiring extensive cooling systems. Data centers' water usage depends on various factors, including location, climate, water availability, size, and IT rack chip densities. In hotter climates, data centers need to use more water to cool the building and equipment. According to scientists at the University of California, Riverside, each 100-word AI prompt is estimated to use roughly one bottle of water.

Using recycled or non-potable water to meet a data center's cooling needs is a well-established practice to conserve limited potable water resources. Air-cooling and innovative liquid cooling technologies such as "liquid direct-to-chip cooling" and closed looped systems can reduce and even eliminate consumptive water usage in data centers. However, these systems are very likely to use more energy which could result in more water being used at a different location in the State.

### **CENTRAL NEVADA REGIONAL WATER AUTHORITY POLICY**

*It is the policy of the Central Nevada Regional Water Authority that data centers should be required to make publicly available information regarding the source of their water and both consumptive and non-consumptive water usage, and account for all water uses including, any additional water needed to generate power for the data center.*

*It is the policy of the Central Nevada Regional Water Authority that data centers should minimize water consumption and avoid evaporative cooling.*

*It is the policy of the Central Nevada Regional Water Authority that data centers should utilize renewable energy to offset water consumption.*

*It is the policy of the Central Nevada Regional Water Authority that data centers should utilize the lowest quality of water as possible, including untreated water and wastewater effluent.*

*It is the policy of the Central Nevada Regional Water Authority that the State Engineer should require municipal and quasi-municipal water suppliers to identify the specific consumptive use of water in their applications to change the manner of use of dedicated water rights to serve data centers and other industrial uses.*

*It is the policy of the Central Nevada Regional Water Authority that the cost of providing water to data centers must not be shifted to the existing customer base of a municipal or quasi-municipal water system.*

*It is the policy of the Central Nevada Regional Water that data centers should be required to evaluate their Water Usage Effectiveness (WUE) which is the ratio of the data center's annual water usage to the energy consumed by its computing equipment, or other sustainability metric, for assessing the water efficiency.*

*It is the policy of the Central Nevada Regional Water Authority that municipal and quasi-municipal water systems should have the authority to restrict water usage and deny service to high consumptive industrial uses, including data centers.*