

CHARTER TOWNSHIP OF YPSILANTI

RESOLUTION 2026-08

A RESOLUTION OF THE YPSILANTI TOWNSHIP BOARD OF TRUSTEES REQUESTING THAT THE YPSILANTI COMMUNITY UTILITIES AUTHORITY IMPOSE AN IMMEDIATE MORATORIUM ON THE DELIVERY, COMMITMENT, RESERVATION, EXTENSION, OR APPROVAL OF WATER AND SEWER SERVICES FOR HYPERSCALE DATA CENTERS, MID-SIZED DATA CENTERS, ARTIFICIAL INTELLIGENCE COMPUTING FACILITIES, AND HIGH-PERFORMANCE COMPUTATIONAL CENTERS PENDING COMPLETION OF COMPREHENSIVE DUE DILLIGENCE INVESTIGATIONS CONSISTENT WITH INDUSTRY BEST PRACTICES, INCLUDING BUT NOT LIMITED TO THE AMERICAN WATERWORKS ASSOCIATION’S RECOMMENDATIONS, AS WELL AS THE WATER ENVIRONMENT FEDERATION, IN RESPONSE TO THE STATE OF MICHIGAN’S DATA CENTER TAX INCENTIVES.

WHEREAS, the Charter Township of Ypsilanti (Township) is charged under its authority as a Charter Township with protecting the public health, safety, and welfare of its residents; and

WHEREAS, the Township, along with the City of Ypsilanti are constituent members of the Ypsilanti Community Utilities Authority (YCUA) and rely upon YCUA to provide essential water supply and wastewater treatment services critical to public health, environmental integrity, economic stability, and fire protection; and

WHEREAS, YCUA is entrusted with safeguarding the capacity, reliability, and long-term sustainability of the regional water supply and the wastewater treatment systems; and

WHEREAS, the American Water Works Association (AWWA) has issued its authoritative White Paper “**Cooling the Cloud: Water Utilities in a Data-Driven World**” concluding that hyper-scale data centers, as well as other mid-sized data centers, artificial intelligence computing facilities, and high-performance computational centers are “**high-impact customers**” for water and sewer utilities and that these centers increase water and demands, infrastructure strain, and operational costs and, as such, public utilities such as YCUA must undertake proactive planning and coordination before service commitments are made to the aforementioned centers; and

WHEREAS, the hyper-scale data centers, mid-sized data centers, artificial intelligence computing facilities, and high-performance computational centers require extraordinary volumes of water for cooling and industrial processes and may consume up to 5 million gallons of water per day, which will require wastewater treatment per each gallon of water, thereby generating significant wastewater discharges associated with cooling systems, chemical treatment, and thermal discharge requiring advanced treatment capacity and regulatory compliance with unique thermal and chemical characteristics; and

WHEREAS, the State of Michigan has enacted legislation, including but not limited to amendments to the General Property Tax Act and related statutes, to provide substantial tax incentives for the development of hyper-scale data centers, mid-sized data centers, artificial intelligence computing facilities, and high-performance computational centers, including “**Six Percent sales and use tax exemptions on data center equipment, including servers and related hardware, incentives tied to large-scale capital investments often exceeding hundreds of millions of dollars;**” and

WHEREAS, the enactment and expansion of the tax incentive programs were designed to attract large-scale, high-density computational developments to Michigan, including hyper-scale data centers, mid-sized data centers, artificial intelligence computing facilities, and high-performance computational centers, thereby creating a foreseeable and substantial increase in applications for such facilities across Michigan and throughout Washtenaw County, including the communities which receive water and sewer services provided by YCUA; and

WHEREAS, these tax incentives approved by the Michigan Legislature and signed into law by Governor Gretchen Whitmer have created an artificially-induced marked demand, which has also resulted in the potential clustering of all of the facilities referenced above in areas of available land, infrastructure, power, and water, including Washtenaw County; and

WHEREAS, the Township finds that the State of Michigan's tax incentives have an irreparable and harmful impact upon tax revenues that benefit local governments and schools and do not adequately account for the consumptive use of water resources, along with the required sewer capacity, by the hyper-scale data centers, mid-sized data centers, artificial intelligence computing facilities, and high-performance computational centers, which encourages the development of these centers which could be incompatible with YCUA's long-term water and sewer capacity sustainability; and

WHEREAS, the Township finds that these tax incentives approved by the Michigan Legislature and Governor Whitmer have the effect of pressuring public utilities such as YCUA to commit to water and sewer capacity without sufficient time to conduct thorough engineering, environmental, financial, and capacity reviews; and

WHEREAS, the Director of YCUA has confirmed that YCUA continues to receive inquiries from representatives of hyper-scale data centers, mid-sized data centers, artificial intelligence computing facilities, and high-performance computational centers regarding YCUA's water and sewer capacity to serve said centers; and

WHEREAS, the best practices required to be followed by YCUA, including those promulgated by the AWWA and the WEF, emphasize the necessity of rigorous, science-based due-diligence analyses, **which are to be completed prior to the approval of high-demand, hyper-scale data centers, mid-sized data centers, artificial intelligence computing facilities, and high-performance computational centers;** and

WHEREAS, the Township has not been provided with sufficient evidence demonstrating that YCUA's current infrastructure can sustainably meet the high-volume continuous water and sewer demands of hyper-scale data centers, mid-sized data centers, artificial intelligence computing facilities, and high-performance computational centers, which operate 24-hours per day, 365 days per year, nor evidence demonstrating that YCUA can safely treat and discharge the wastewater associated with these facilities without experiencing capacity degradation affecting residential, commercial, and light industrial properties located in the Township and other communities serviced by YCUA; and

WHEREAS, the failure to fully evaluate these impacts presents a material risk of the availability of water and sewer capacity to the Township and the City of Ypsilanti, and may alter wastewater composition through chemical treatment processes, which will increase the thermal discharge loads and will require additional treatment beyond YCUA's current design capacity, thereby

resulting in potential regulatory violations and capacity degradation affecting residential, commercial, and light industrial properties; and

WHEREAS, the Township finds that proceeding without comprehensive due-diligence studies conducted by YCUA consistent with the standards and recommendations of the AWWA and WEF would be premature, imprudent, and in conflict with the public interest.

NOW THEREFORE BE IT RESOLVED that the Charter Township of Ypsilanti Board of Trustees hereby formally requests and urges YCUA to immediately impose a moratorium of not less than 12 months on the delivery, commitment, reservation, extension, or approval of water and sewer services to hyper-scale data centers, mid-sized data centers, artificial intelligence computing facilities, and high-performance computational centers pending completion of comprehensive due diligence investigations consistent with industry best practices, including but not limited to the American Water Works Association's recommendations, as well as the Water Environment Federation.

BE IT FURTHER RESOLVED that the moratorium imposed by YCUA as it pertains to the aforementioned centers shall include but not be limited to new service connections, capacity reservations, infrastructure expansion commitments, and preliminary or conditional approvals.

BE IT FURTHER RESOLVED that the moratorium shall remain in effect until the completion of the following analyses as recommended by the AWWA and WEF, which shall include but not limited to the following:

- (1) Long-Term Water Supply And Comprehensive Capacity Analysis, Which Shall Include Peak Demand Modeling, Drought And Emergency Resilience;***
- (2) Long-Term Wastewater Treatment And Sewer Capacity Analysis, Which Shall Include Wastewater Treatment Compatibility Studies, Effluent Composition, Temperature Analysis, And YCUA's Thermal Discharge And Water Quality Impact Assessments;***
- (3) Financial And Ratepayer Impact Analysis, Which Shall Also Include Prevention Of Cross-Subsidization Of Required Capital Improvements To Serve The Aforementioned Centers So As To Ensure That No Costs Are Shifted To YCUA's Existing Customers And Ratepayers;***
- (4) Infrastructure and Capital Planning Analysis, Which Shall Include All Required Upgrades And Expansion Costs That Would Be Attributed To Providing Water And Sewer Capacity To The Centers Referenced In This Resolution, Including Infrastructure Stress and Redundancy Analysis, The Costs Of Which Shall Be Borne By Any Center Referenced In This Resolution Seeking Water And Sewer Services From YCUA;***

(5) Environmental And Sustainability Review;

(6) Emergency Response And System Resiliency Assessment;

BE IT FURTHER RESOLVED that the Township requests YCUA to conduct all of the aforementioned studies in a transparent and public process, to engage independent qualified third-party experts where appropriate, which studies shall be subject to peer review and comment, and to provide regular updates to the Township Board and the public on a quarterly basis.

BE IT FURTHER RESOLVED that, during the 12-month moratorium period, YCUA shall refrain from executing any capacity reservation agreements, issuing ***“Will-Serve Letters or Conditional Approvals”*** and making infrastructure commitments that could prejudice the outcome of all of the required due-diligence investigations and studies.

BE IT FURTHER RESOLVED that Resolution 2026-08 is supported by authoritative AWWA and WEF guidance and recommendations requiring proactive planning and due diligence by public utilities such as YCUA, as well as documented evidence of extreme water and sewer demand and infrastructure strain by hyper-scale data centers, mid-sized data centers, artificial intelligence computing facilities, and high-performance computational centers.

BE IT FURTHER RESOLVED that Resolution 2026-08 is also supported by the State of Michigan's tax benefit incentives to all the aforementioned centers, which has resulted in the acceleration of these planned hyper-scale data centers, mid-sized data centers, artificial intelligence computing facilities, and high-performance computational centers without the appropriate safeguards to the water supply and sewer capacity of YCUA.

BE IT FURTHER RESOLVED that Resolution 2026-08 is supported by the Township's authority as a Charter Township, which includes the prevention of irreversible harm to the public infrastructure of YCUA, including but not limited to the water and sewer transmission pipes, collection sewers, interceptor sewers, sanitary force mains, and pump stations.

BE IT FURTHER RESOLVED that a certified copy of Resolution 2026-08 be forwarded by the Township Clerk's office to the Mayor for the City of Ypsilanti, and all Ypsilanti City Council Members, Governor Gretchen Whitmer, US Senators Gary Peters and Elissa Slotkin, Congresswoman Debbie Dingell, State Senator Jeff Irwin, State Representative Jimmie Wilson Jr., and the Washtenaw County Board of Commissioners.

NOW THEREFORE BE IT RESOLVED that Resolution 2026-08 is hereby adopted.

I, Debra A. Swanson, Clerk of Charter Township of Ypsilanti, County of Washtenaw, State of Michigan, hereby certify the above resolution is a true and exact copy of Resolution No. 2026-08 approved by the Charter Township of Ypsilanti, Board of Trustees assembled at a Special Meeting held on April 15, 2026.

Debra A. Swanson, Clerk
Charter Township of Ypsilanti