

# Cooling the Cloud/Water Utilities in a Data-Driven World: American Water Works Association Report



**Walter Wright, Jr.**  
wwright@mwlaw.com  
(501) 688.8839

10/27/2025

The American Water Works Association ("AWWA") issued a report titled:

*Cooling the Cloud: Water Utilities in a Data-Driven World* ("Report").

AWWA states that it produced the Report to:

...help water utilities better understand some of the challenges, opportunities, key decision points, and other considerations involving data centers.

The Report states by way of introduction:

- Thoughtful preparation by water systems will be essential.
- Data centers are anticipated to consume considerable resources and, in some instances, strain infrastructure and water supplies.
- A United States International Trade Commission briefing estimated that between 2010 and 2025, the technology sector would see a 146-fold increase in digital data creation.

The impact on water systems is noted to be caused by their cooling systems that can require substantial volumes of water. Large data centers are estimated to directly consume up to 5 million gallons of water per day. Further, water consumption by data centers is anticipated to increase because of AI's computation requirements.

These water utilities must understand the unique impacts that data centers exert on the water sector.

Components of the Report include:

- What are data centers?
- What are the potential impacts data centers pose to water systems?
- Increased water demand and consumption.
- Strains to infrastructure and resiliency.
- Water supply alternative opportunities.
- Increased costs.
- What are the energy-related impacts?
- How are data centers regulated?
- What can utilities do if expecting data center development?
- Conclusion.
- References.

A copy of the Report can be downloaded [here](#).