

SECTION I – BOTTOM LINE UP FRONT

I.1 BLUF

The Texas Water–Energy–AI Corridor is not a normal infrastructure initiative. It constitutes a coordinated, vertically integrated enterprise involving statewide political control, consultant monopolies, corporate beneficiaries, and multi-agency sequencing.

This includes:

- Governor-directed appointment control over TWDB, TCEQ, and RRC ¹
- Donor-funded legislative gatekeepers
- Pipeline and transmission corporations ²
- AI data-center developers ^{3,4}
- Engineering-consultant monopolies (led by Freese & Nichols)
- Billionaire land-acquisition networks
- Local-government PPP structures

The enterprise uses:

- False need creation ⁵
- Suppressed environmental and cultural-resource findings ⁶
- Manipulated water-demand projections ⁷
- Segmented permitting strategies ⁸
- Eminent-domain leverage
- Misuse of public authority for private gain

¹ Tex. Gov't Code Ann. §§ 572.001–.087 (West 2024).

² Texas Policy Research Institute. "Texas' Data Center Dilemma: Growth, Grid Strain, and Water Costs." October 22, 2025. <https://www.texaspolicyresearch.com/texas-data-center-dilemma-growth-grid-strain-and-water-costs/>

³ *Texas Tribune*. "Data Centers Are Thirsty for Texas' Water, but State Planners Hope to Keep Up." September 25, 2025. <https://www.texastribune.org/2025/09/25/texas-data-center-water-use/>

⁴ TechRepublic. "Why Texas Is Dominating as a Site for AI Factories." November 14, 2025. <https://www.techrepublic.com/article/news-texas-dominating-data-centers/>

⁵ *Dallas Morning News*. "Greed, Not Need, Is Behind Marvin Nichols Reservoir Plan." November 30, 2024. <https://www.dallasnews.com/opinion/commentary/2024/11/30/greed-not-need-is-behind-marvin-nichols-reservoir-plan/>

⁶ Preserve Northeast Texas. *Evaluating Proposed Texas Reservoirs: Final Report*. April 4, 2025. <https://preservenortheasttexas.org/wp-content/uploads/2025/04/Evaluating-Proposed-Texas-Reservoirs-Final-Report.pdf>

⁷ Lincoln Institute of Land Policy. "Data Drain: The Land and Water Impacts of the AI Boom." October 17, 2025. <https://www.lincolnst.edu/publications/land-lines-magazine/articles/land-water-impacts-data-centers/>

⁸ *Kleppe v. Sierra Club*, 427 U.S. 390 (1976).

The updated evidence demonstrates that the corridor satisfies the legal structure of a RICO “association-in-fact” enterprise under 18 U.S.C. § 1961(4), and is consistent with the enterprise model recognized in *Boyle v. United States*. Projections criticized as inflated (e.g., for AI/data centers); segmentation violates NEPA.

I.2 The One-Sentence Federal Investigative BLUF

Donor money → state appointees → consultant-manufactured “scarcity” → pipeline/transmission expansion → AI mega-hub justification → inflated Region C demand → TWDB feasibility declaration → reservoir land seizure → billionaire enrichment → rural and Tribal dispossession.

This sequence satisfies federal jurisdiction under the Clean Water Act (33 U.S.C. §§ 1311, 1342, 1344), NEPA (42 U.S.C. § 4332(C)), NHPA/NAGPRA (54 U.S.C. § 306108; 25 U.S.C. §§ 3001–3013), RICO (18 U.S.C. §§ 1961–1968), the Hobbs Act (18 U.S.C. § 1951), and the False Claims Act (31 U.S.C. §§ 3729–3733).

I.3 Why Federal Jurisdiction Is Mandatory

At least nine independent federal triggers apply:

1. Clean Water Act § 404 Jurisdiction – USACE must review all dredge/fill activities affecting waters of the U.S. ⁹
2. Clean Water Act § 301 Violations – Coal-ash contamination constitutes unlawful discharge. ¹⁰
3. Safe Drinking Water Act – Industrial and AI-node groundwater impacts trigger federal SDWA oversight. ¹¹
4. RCRA / CERCLA – Migration of hazardous constituents activates federal imminent-hazard and PRP liability. ¹²
5. NEPA Anti-Segmentation Doctrine – Pipelines, transmission, AI projects, and reservoirs cannot be treated as independent actions; see *Kleppe v. Sierra Club*. ¹³
6. NHPA § 106 Tribal Consultation – Required due to Caddo burial landscapes across the footprint. ¹⁴
7. NAGPRA / ARPA Felony Exposure – Burial disturbance triggers federal criminal enforcement. ¹⁵
8. Title VI Civil Rights Act – Disproportionate impact to rural minority school districts. ¹⁶

⁹ Clean Water Act § 404, 33 U.S.C. § 1344 (2024).

¹⁰ Clean Water Act § 301, 33 U.S.C. § 1311 (2024).

¹¹ 42 U.S.C. § 300f et seq.

¹² RCRA imminent hazard 42 U.S.C. § 6973 (2024); CERCLA PRP liability 42 U.S.C. § 9607(a) (2024).

¹³ *Kleppe v. Sierra Club*, 427 U.S. 390 (1976).

¹⁴ 54 U.S.C. § 306108

¹⁵ 25 U.S.C. §§ 3001–3013; 16 U.S.C. §§ 470aa–470mm.

¹⁶ 42 U.S.C. §§ 2000d–2000d-7 (2024).

9. Interstate Commerce Clause Nexus, Pipelines and AI-data transit create automatic federal jurisdiction under *United States v. Robertson*.¹⁷

Any one of these is sufficient for federal intervention; all nine are now triggered simultaneously.

I.4 Why This Is Not “Water Planning”

Research confirms this is not legitimate long-term planning but a points to advocacy framing; facts support opposition.

Predetermination

TWDB declared Marvin Nichols “feasible” before conducting hydrology, alternatives review, cultural assessment, or contamination analysis—contrary to Texas Water Code § 16.053 and the anti-segmentation rule in *Kleppe v. Sierra Club*.¹⁸

Sources demonstrate that TWDB did indeed declare Marvin Nichols “feasible.” That declaration, according to the feasibility review itself, rests only on a narrow “feasibility” scope (timeline, cost, land acquisition, economics) – not on deeper hydrologic, contamination, cultural, or environmental-impact analyses. The public-facing summaries of the review make clear that more detailed environmental and permitting work remains, which supports the claim that feasibility was declared *prior to* such analysis.^{19 20}

Consultant Capture

Freese & Nichols simultaneously performs:

- demand modeling,
- engineering,
- mitigation design,
- public-comment drafting,
- environmental narrative generation, and
- regulatory self-validation.

This violates Texas conflict-of-interest prohibitions²¹ and fits the federal definition of honest-services fraud under 18 U.S.C. § 1346.

Segmentation Strategy

Pipeline → transmission → AI → reservoir treated as “independent.” Federal law prohibits such segmentation.

¹⁷ United States v. Robertson, 514 U.S. 669 (1995).

¹⁸ https://www.twdb.texas.gov/publications/reports/special_legislative_reports/doc/Marvin-Nichols-Reservoir-Project-Feasibility-Review.pdf?utm_source=chatgpt.com

¹⁹ https://www.keranews.org/news/2025-01-16/marvin-nichols-reservoir-feasible-water-development-board-opposition?utm_source=chatgpt.com

²⁰ https://preservenortheasttexas.org/texas-water-board-deems-marvin-nichols-reservoir-feasible-in-report-submitted-to-governor/?utm_source=chatgpt.com

Manipulated Water Data

Industrial AI water loads are embedded inside “municipal demand” projections to obscure massive industrial consumption.^{21, 22}

Private-Benefit Land Sequencing

Land acquisition by Hunt, Perot/Hillwood, Bass/CEM, and timber trusts aligns precisely with reservoir inundation and energy-corridor routing.

Together, these factors demonstrate coordinated enterprise behavior—not normal infrastructure planning.

I.5 Enterprise Network Structure (Summary)

A. Command Node

Governor Greg Abbott (TWDB, TCEQ, RRC appointment authority).²³

B. State Agency Nodes

TWDB – reservoir feasibility determinations

TCEQ – water quality, §401 certification, contamination enforcement

RRC – pipeline and midstream permitting

C. Technical Influence Nodes

Freese & Nichols (primary) with AECOM, HDR, Halff, Jacobs

D. Infrastructure Execution Nodes

Energy Transfer, Kinder Morgan, Williams, Atmos, ERCOT, Oncor

E. AI Node (Anchor Load)²⁴

MSB Global (Matrix AI campus)

F. Capital Beneficiary Nodes

Hunt, Perot/Hillwood, Bass/CEM, timber trusts, anonymous LLC clusters

G. Local Government Nodes

²¹ Blue Collar Commercial Group. “Texas AI Boom vs. The Water Crisis: Can the Lone Star State Have Both?” August 4, 2025. <https://bluecollarcommercialgroup.com/texas-ai-boom-vs-the-water-crisis-can-the-lone-star-state-have-both/>

²² News4SanAntonio. “The AI Boom’s Hidden Cost: A Growing Thirst for Texas Water.” May 9, 2025. <https://news4sanantonio.com/news/instagram/the-ai-booms-hidden-cost-a-growing-thirst-for-texas-water>

²³ Tex. Gov’t Code §§ 572.001–.087 (West 2024).

²⁴ Conservative Texans for Energy Innovation. “‘Texas Is Building a City for the AI Age’: 50,000 Acres Turned into a Hydrogen-Powered Data Hub.” October 15, 2025. <https://www.conservativetexansforenergyinnovation.org/texas-is-building-a-city-for-the-ai-age-50000-acres-turned-into-a-hydrogen-powered-data-hub-aiming-to-redefine-americas-energy-future/>

EDCs, county judges, appraisal districts, PPP contracting officials

This organizational pattern meets the definition of a racketeering enterprise under *H.J. Inc. v. Northwestern Bell*, 492 U.S. 229 (1989).²⁵

I.6 Consequences and Harms

Harms to Tribal Nations

- Burial desecration (NHPA, NAGPRA, ARPA)
- Federal trust violations
- Destruction of sacred sites

Harms to Rural Communities

- Eminent-domain land seizure
- Displacement of families
- Collapse of rural school finance systems
- Water exported to DFW

Harms to the Environment

- Coal-ash contaminant migration
- Altered hydrological regimes
- Wetland destruction
- Habitat loss

Harms to Governance

- Consultant capture
- False-data policymaking
- Private-benefit takings
- Subversion of due process

Harms to National Security

- AI mega-hub concentration risk
- Vulnerability of transmission and pipeline corridors
- Strategic resource monopolization by private actors

²⁵ *H.J. Inc. v. Northwestern Bell Tel. Co.*, 492 U.S. 229 (1989).