“Expert Cloud Consulting”
SOP | AWS Infrastructure with Terraform: S3 and DynamoDB Backend Setup

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AWS Infrastructure with Terraform: S3 and DynamoDB Backend Setup

Document Overview

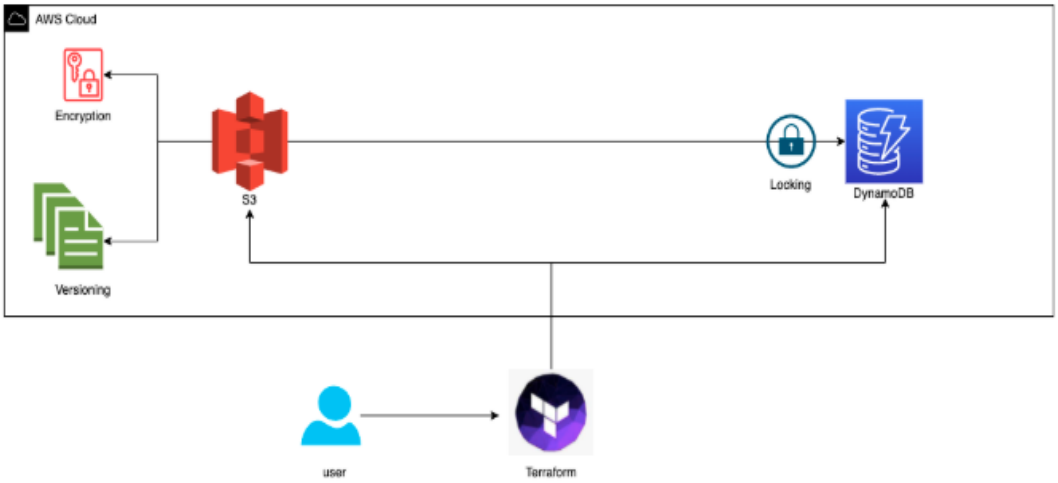
This document provides a detailed walkthrough of setting up a robust and collaborative Terraform backend using AWS S3 and DynamoDB, along with provisioning a complete multi-tier infrastructure on AWS. It demonstrates the practical application of Infrastructure as Code (IaC**)** principles and how centralized state management improves team collaboration and operational safety.

The setup includes multiple stages—from configuring IAM access and Terraform providers to provisioning VPCs, EC2 instances, and an Application Load Balancer—while ensuring the Terraform state is secure, centralized, and version-controlled

Document References

The following resources were referred to during the creation and execution of this Terraform-based infrastructure setup

Date	Document	Filename / Url
27 Jun	Streamlining AWS Infrastructure with Terraform using S3 and DynamoDB	https://www.linkedin.com/pulse/streamlining-aws-infrastructure-terraform-s3-dynamodb-erumal-lvlpc/
27 Jun	Terraform State Remote Storage with S3 and Locking using DynamoDB	https://www.linkedin.com/pulse/terraform-state-remote-storage-s3-locking-dynamodb-oramu-/



Why Use a Terraform Backend?

When you start using Terraform, local state files might suffice for small projects. But as teams grow and infrastructure scales, storing state files locally becomes a bottleneck—or worse, a liability. A remote backend, like AWS S3 with DynamoDB for locking, solves this by enabling

- **Collaboration**: Multiple team members can work on the same infrastructure without conflicts.
- **Security**: State files often contain sensitive data, and S3 offers encryption and access control.
- **Consistency**: DynamoDB ensures state locking and prevents race conditions during deployments.

Setting Up the S3 Bucket

- **Bucket Creation**: Define an S3 bucket resource in Terraform with a unique name (S3 bucket names are globally unique, so get creative or append a random suffix).
- **Versioning**: Enable versioning to maintain a history of state file changes—crucial for rollback scenarios
- **Access Control**: Restrict access with a bucket policy or IAM roles to ensure only authorized users or services can interact with it.

Adding DynamoDB for State Locking

S3 alone handles storage, but it doesn't prevent multiple users from overwriting the state simultaneously. Enter DynamoDB:

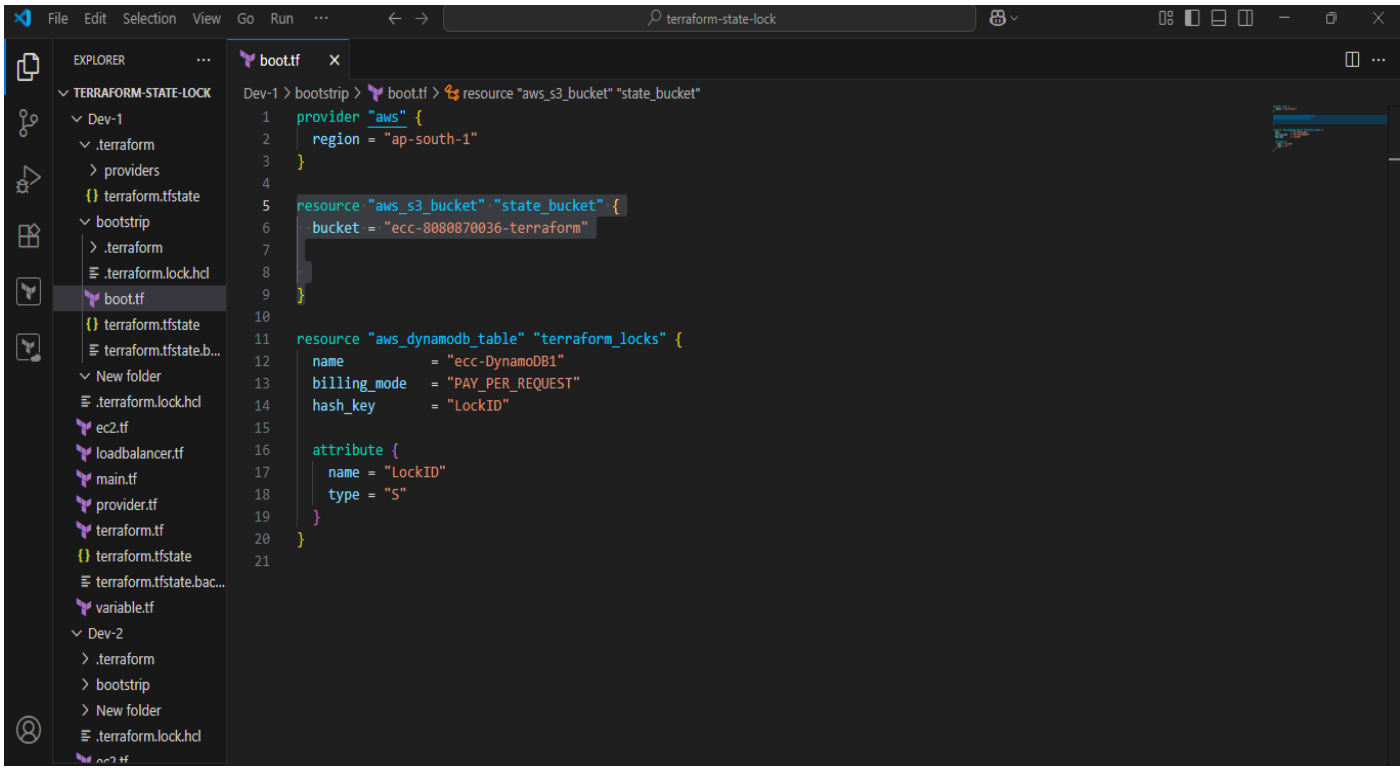
Primary Key: We use a simple key called LockID to track the lock.

Simple Setup: Only one attribute is needed. No complex table design required.

On-Demand Mode: We use PAY_PER_REQUEST so we only pay for what we use. This is great for small teams or less frequent usage

backend.tf

S3.tf

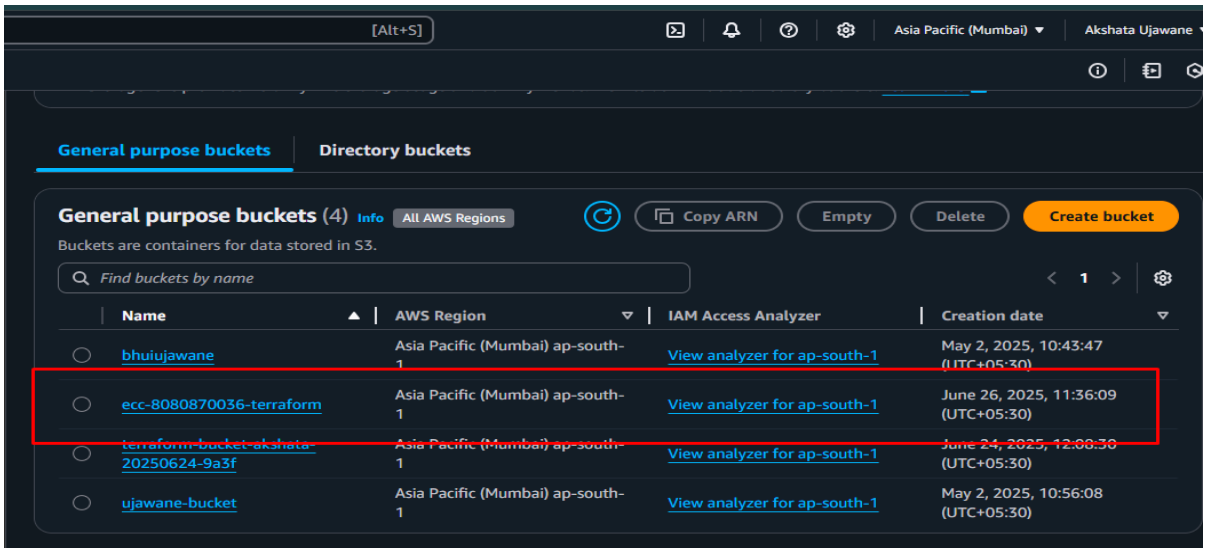


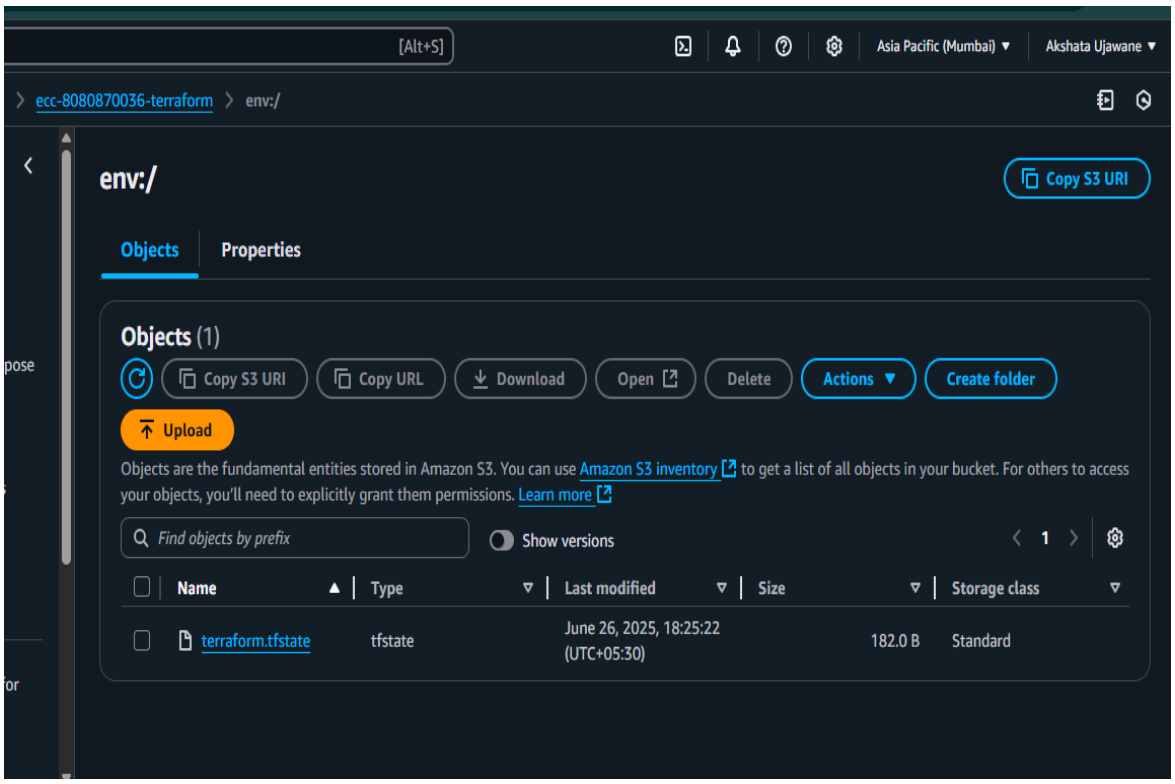
After setting up both the S3 bucket and DynamoDB table**,** you can run **terraform init Terraform plan Terraform apply** to initialize the backend

```
terraform init
terraform plan
terraform apply -auto-approve
```

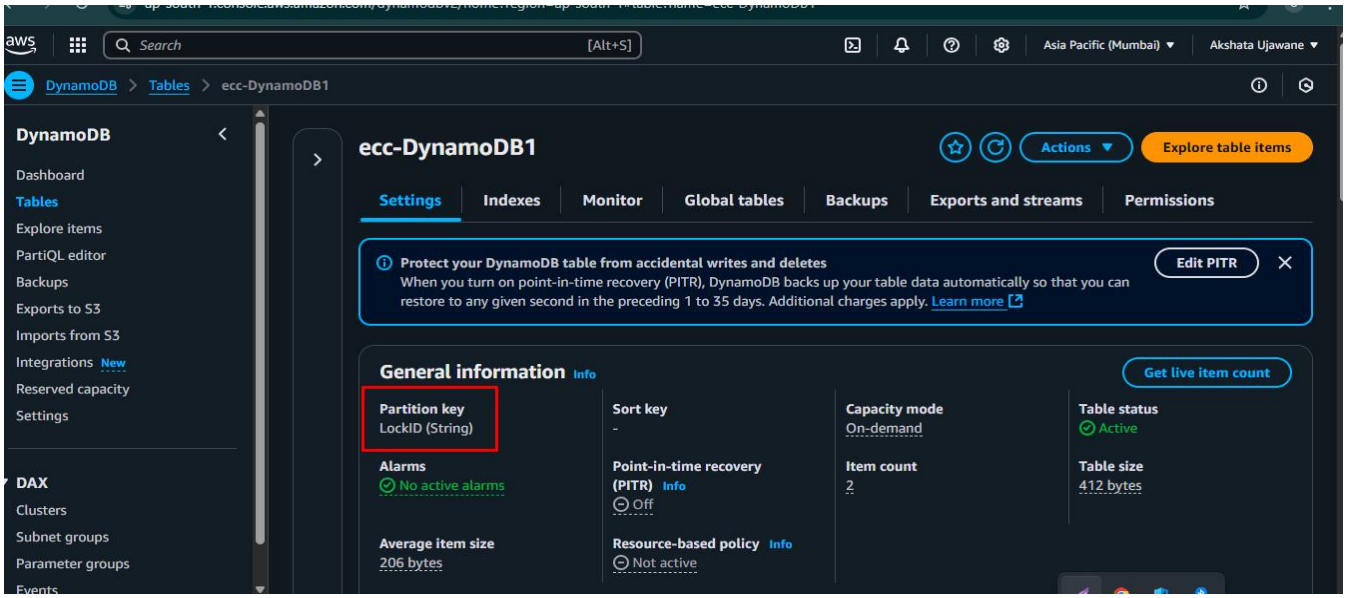
This successfully created

S3 Bucket



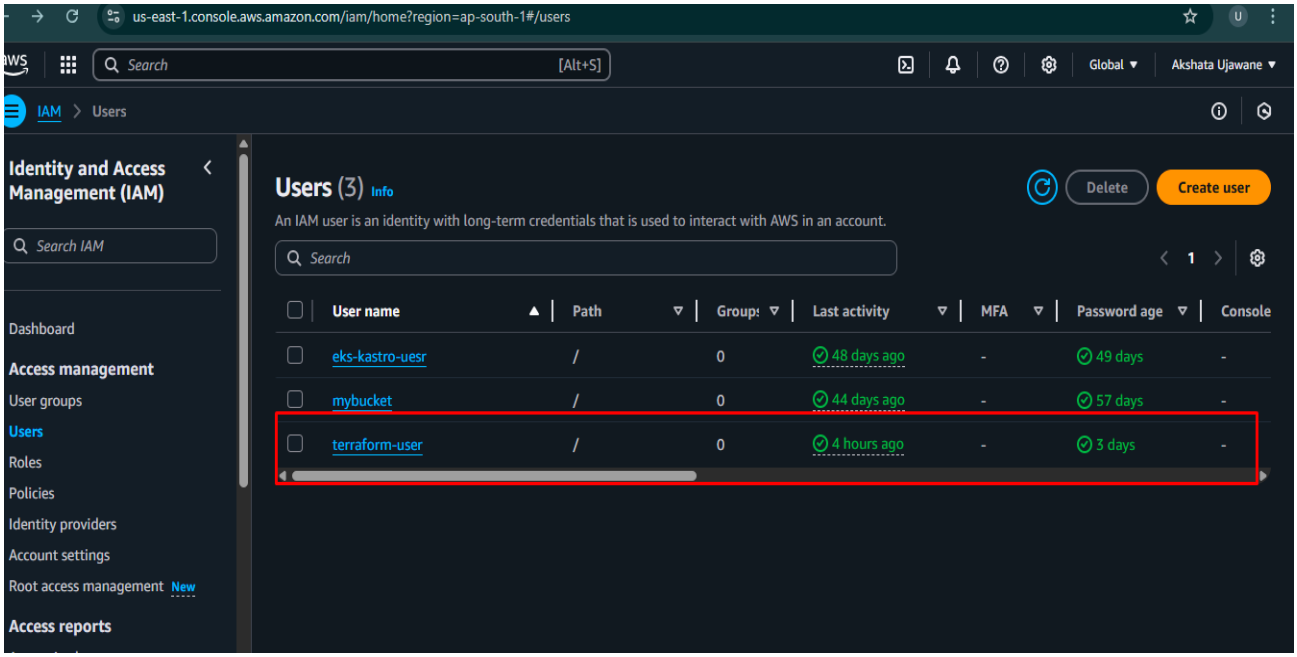


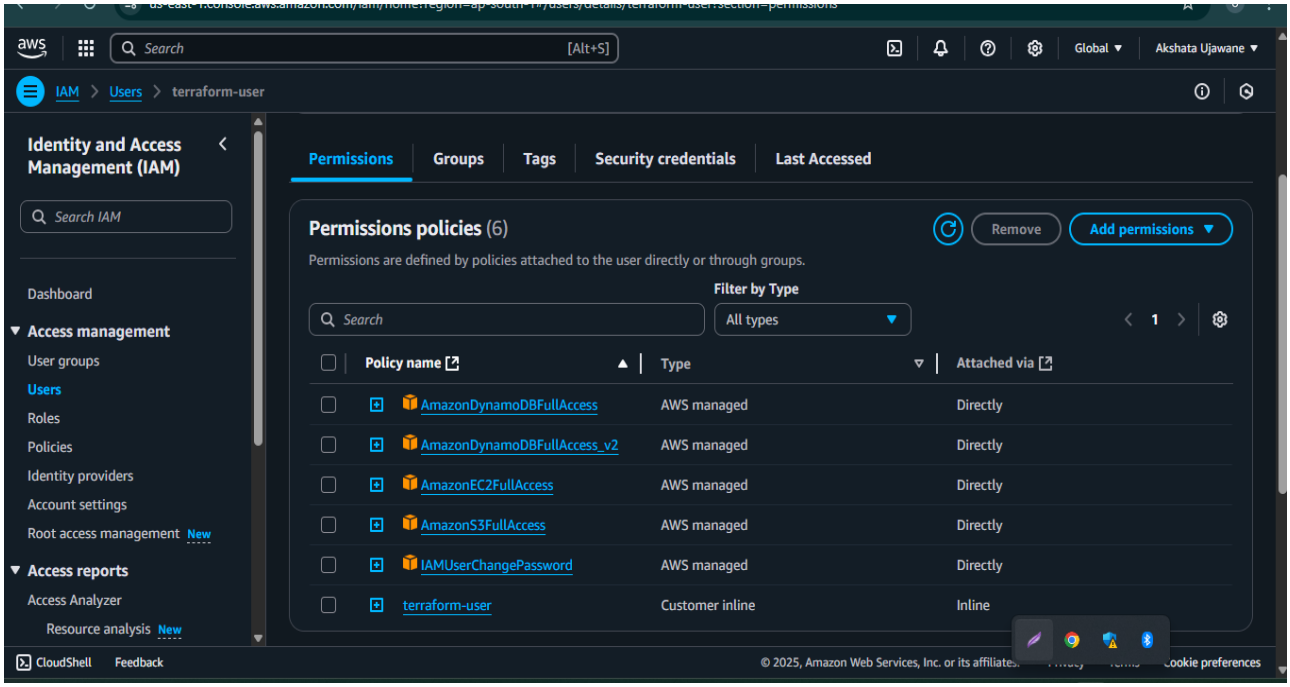
DynamoDB



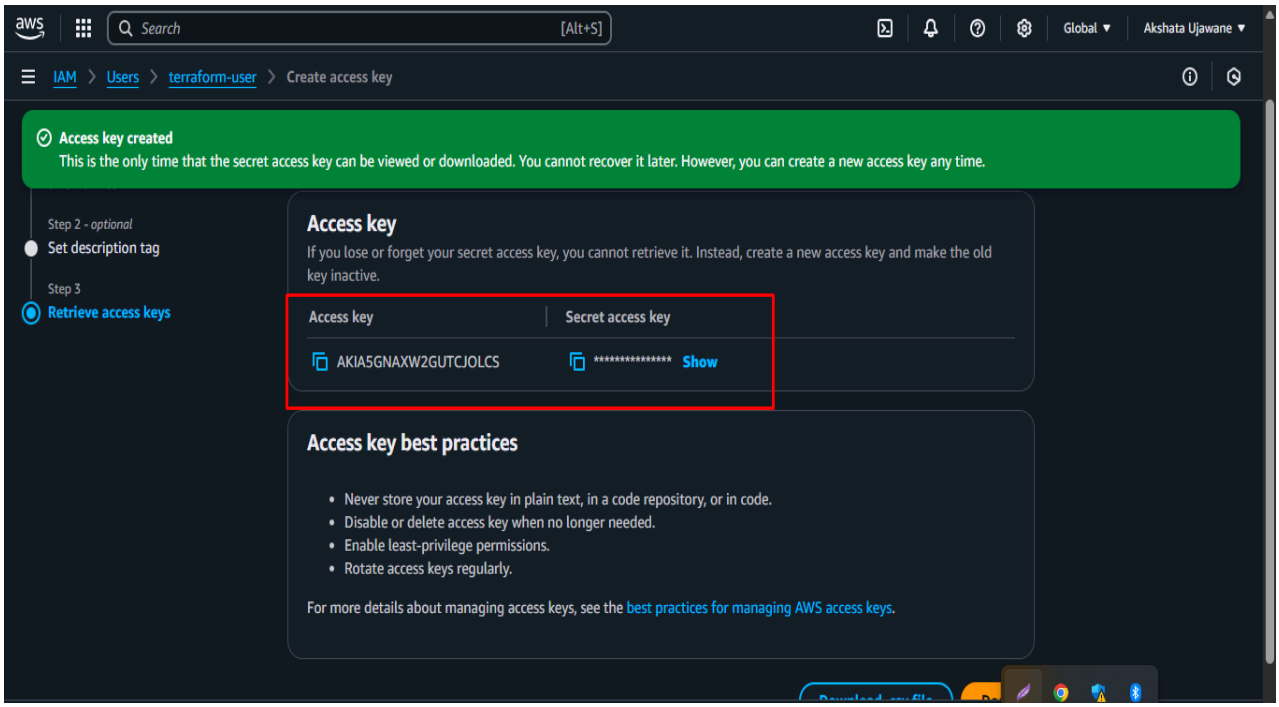
IAM User Integration

- Create and configure **IAM users** with fine-grained permissions.

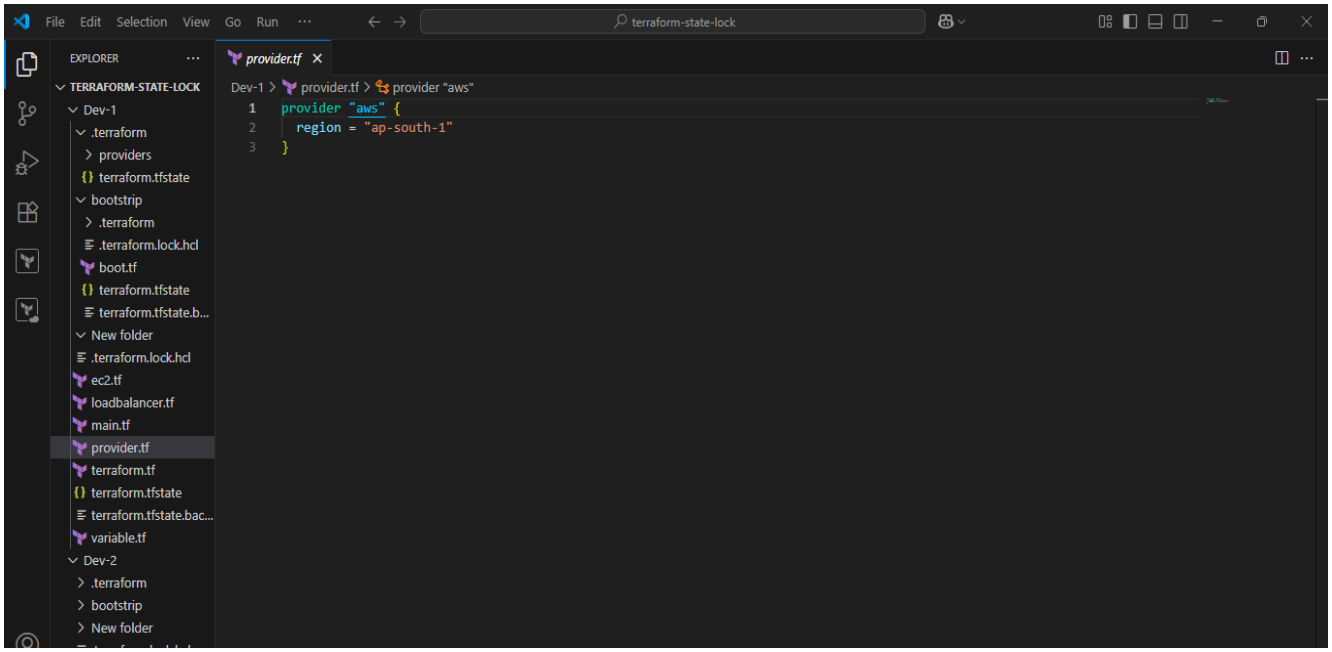




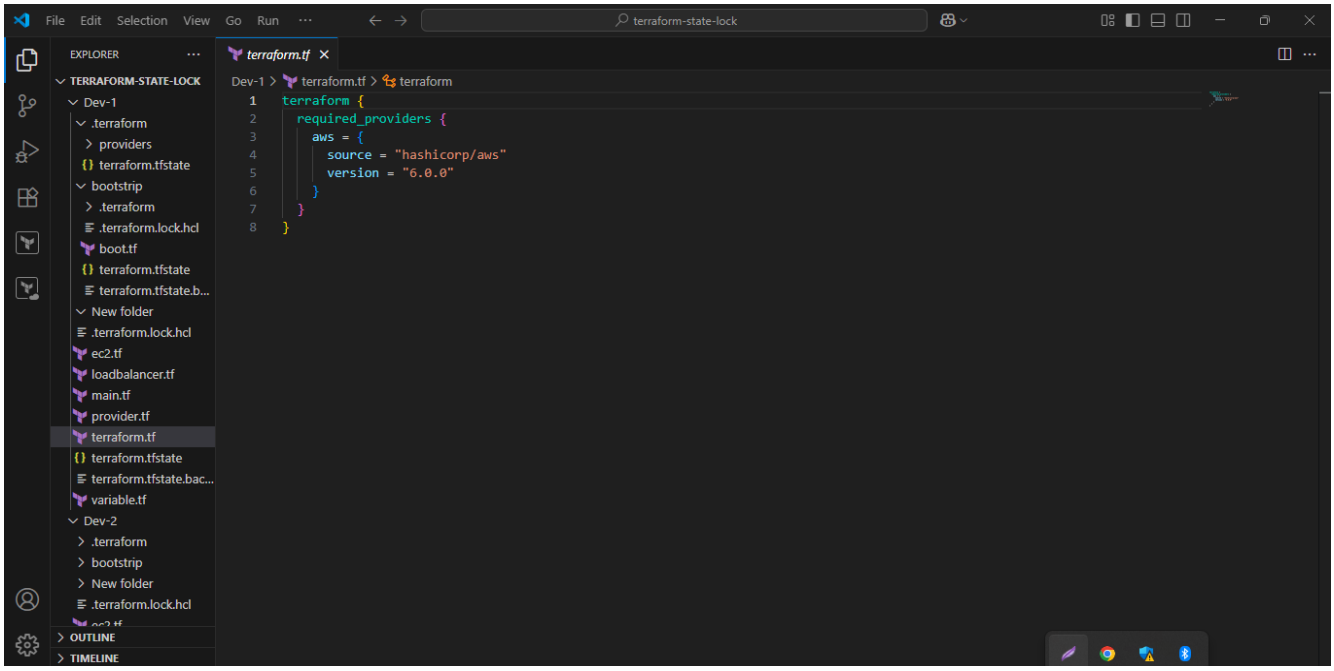
Securely connect Terraform to AWS using **Access Key** and **Secret Key** for automated deployments.



provider.tf:
Specifies AWS provider and region

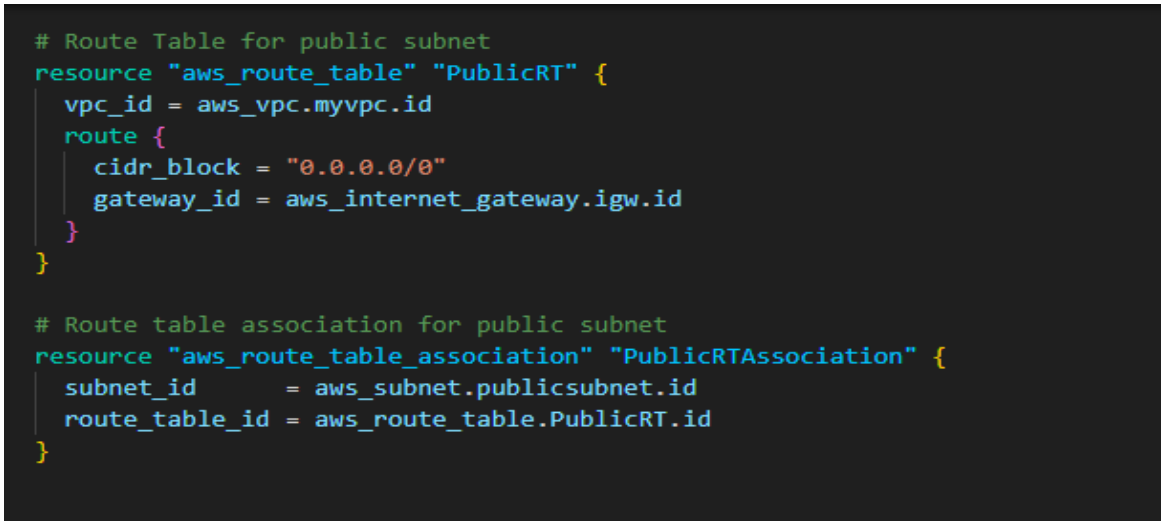


terraform.tf



Created VPC, Subnets, Route Tables, and Internet Gateway

These components form the **network architecture** of your cloud environment.



Launch EC2 Instances in Private Subnet

```
  # create ec2
  resource "aws_instance" "testinstancez" {
    count = 3
    ami           = var.ami_id
    instance_type = "t2.micro"
    key_name      = "Demo-app"
    subnet_id     = aws_subnet.privatesubnet.id
    vpc_security_group_ids = [aws_security_group.allow_user_to_connect.id]
    tags = {
      Name = "Terra-Automate"
    }

    root_block_device {
      volume_size = 10
      volume_type = "gp3"
    }
  }
```

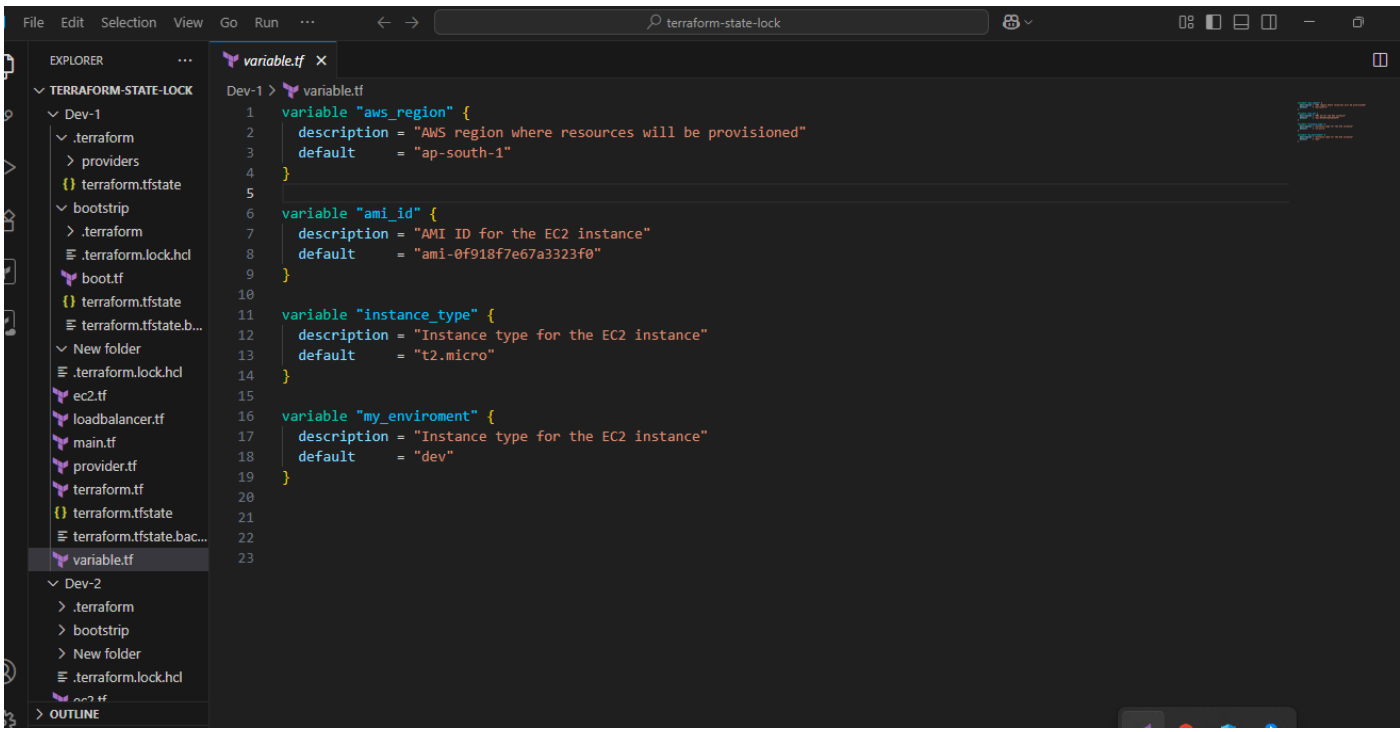
Creating Security Group to allow SSH, HTTP, and HTTPS

```
# create security group
resource "aws_security_group" "allow_user_to_connect" {
  name        = "allow-user-to-connect"
  description = "Allow user to connect (SSH, HTTP, HTTPS)"
  vpc_id      = aws_vpc.myvpc.id

  ingress {
    description = "Allow SSH"
    from_port   = 22
    to_port     = 22
    protocol    = "tcp"
    cidr_blocks = ["0.0.0.0/0"]
  }

  ingress {
    description = "Allow HTTP"
    from_port   = 80
    to_port     = 80
    protocol    = "tcp"
    cidr_blocks = ["0.0.0.0/0"]
  }

  ingress {
    description = "Allow HTTPS"
    from_port   = 443
    to_port     = 443
    protocol    = "tcp"
    cidr_blocks = ["0.0.0.0/0"]
  }
```

```
  egress {
    description = "Allow all outbound traffic"
    from_port   = 0
    to_port     = 0
    protocol    = "-1"
    cidr_blocks = ["0.0.0.0/0"]
  }

  tags = {
    Name = "mysecurity"
  }
}
```

variable.tf

It allows us to define reusable and dynamic input values for Terraform resources. This makes the configuration cleaner and easier to manage**.**

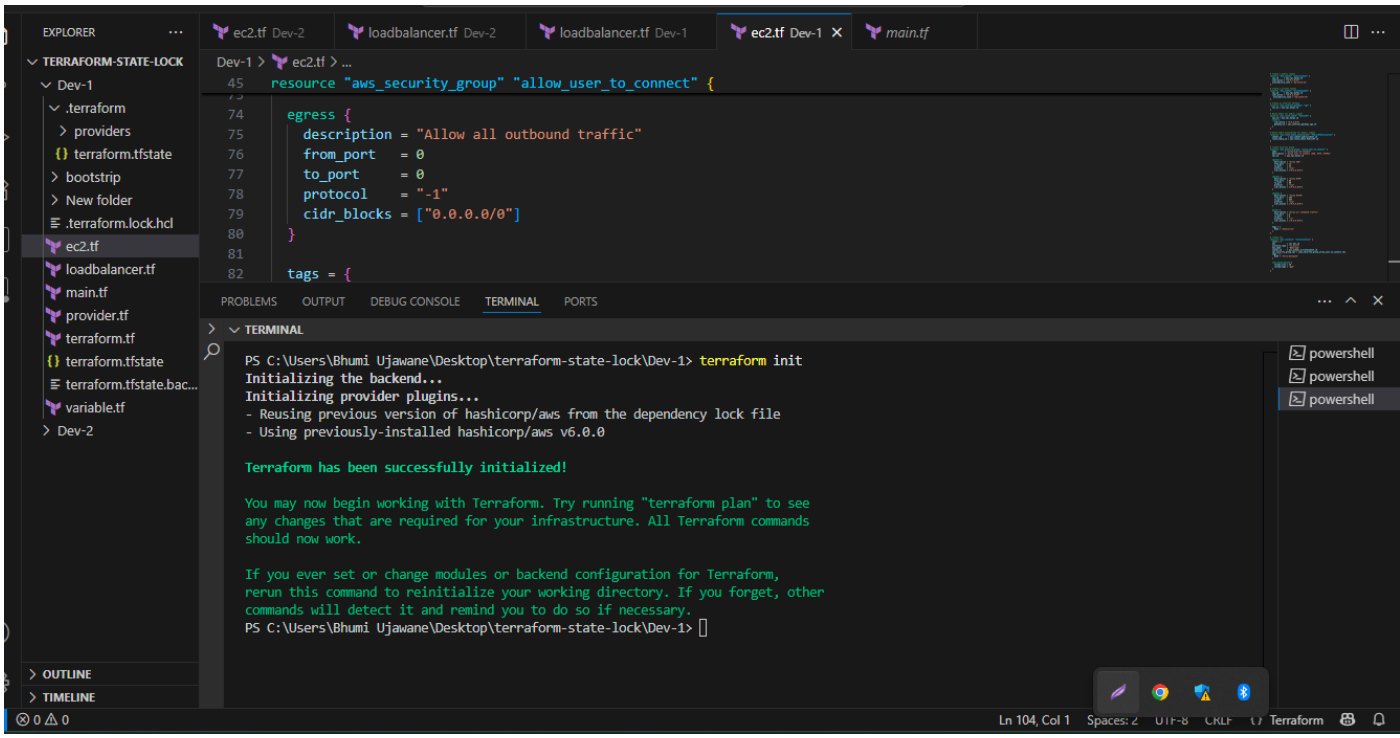


Dev-1 User: Deploying Infrastructure with Terraform

Once all your .tf files are ready (VPC, EC2, subnets, load balancer, variables, etc.), run the following Terraform commands to deploy your infrastructure

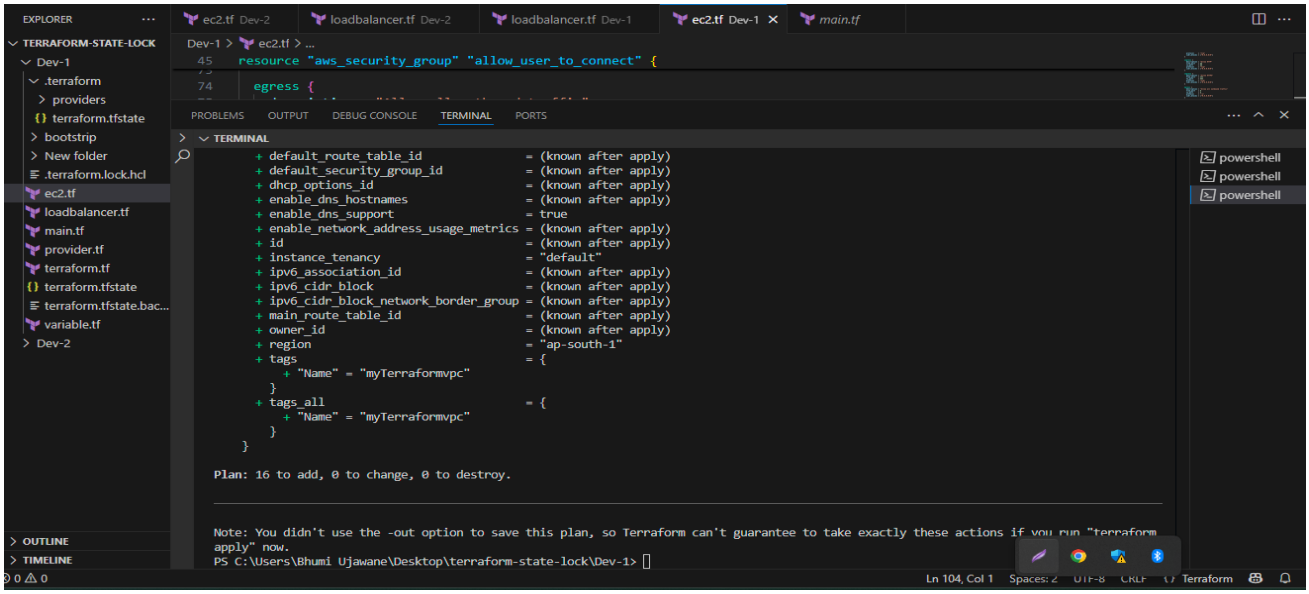
Terraform init

Initializes your Terraform project



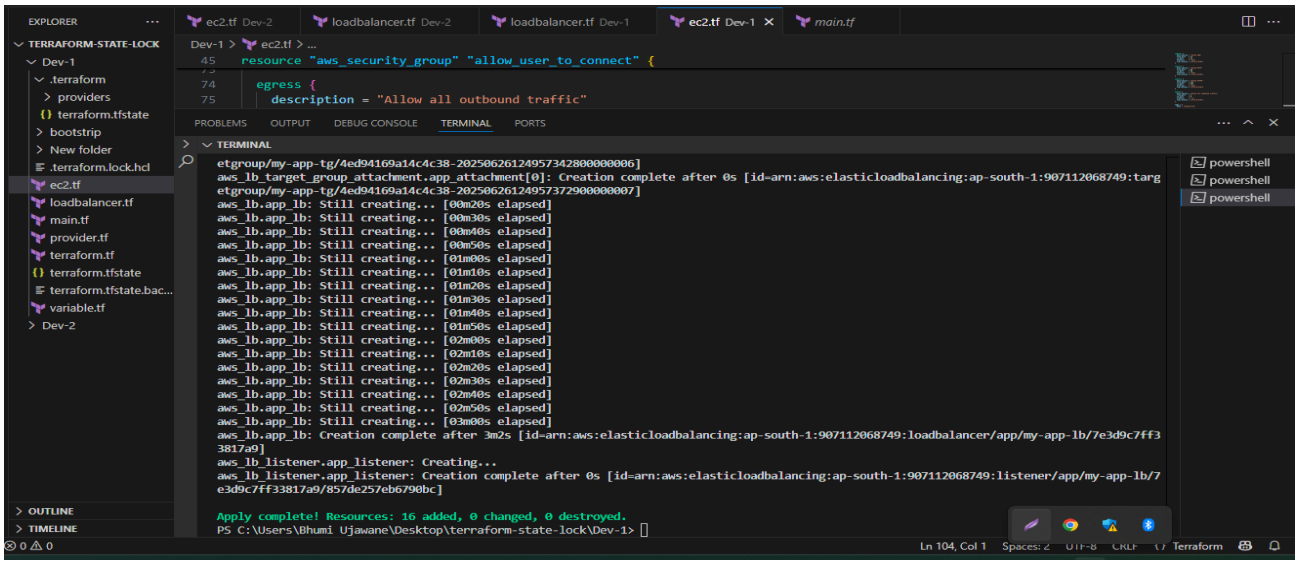
Terraform Plan

Shows the **execution plan**—what Terraform will create or change. This helps verify that the configuration is correct before applying changes.

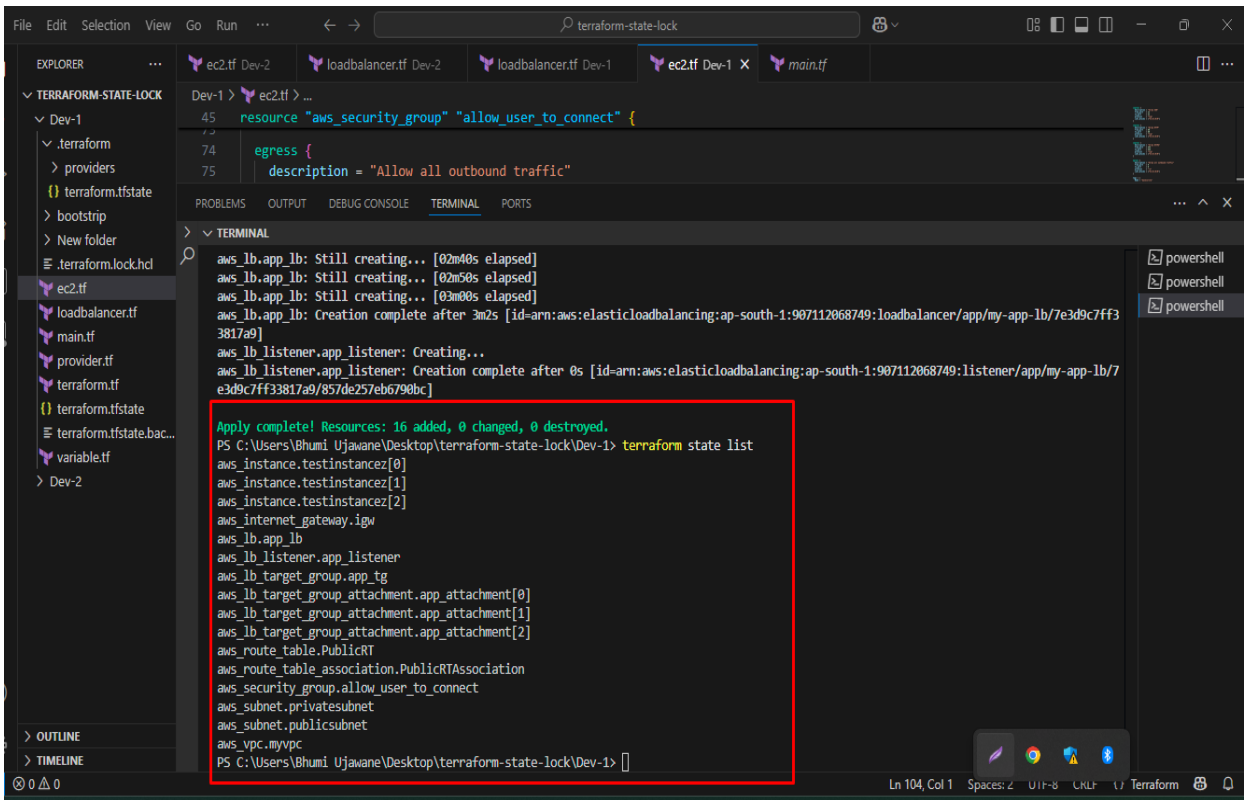


Terraform Apply

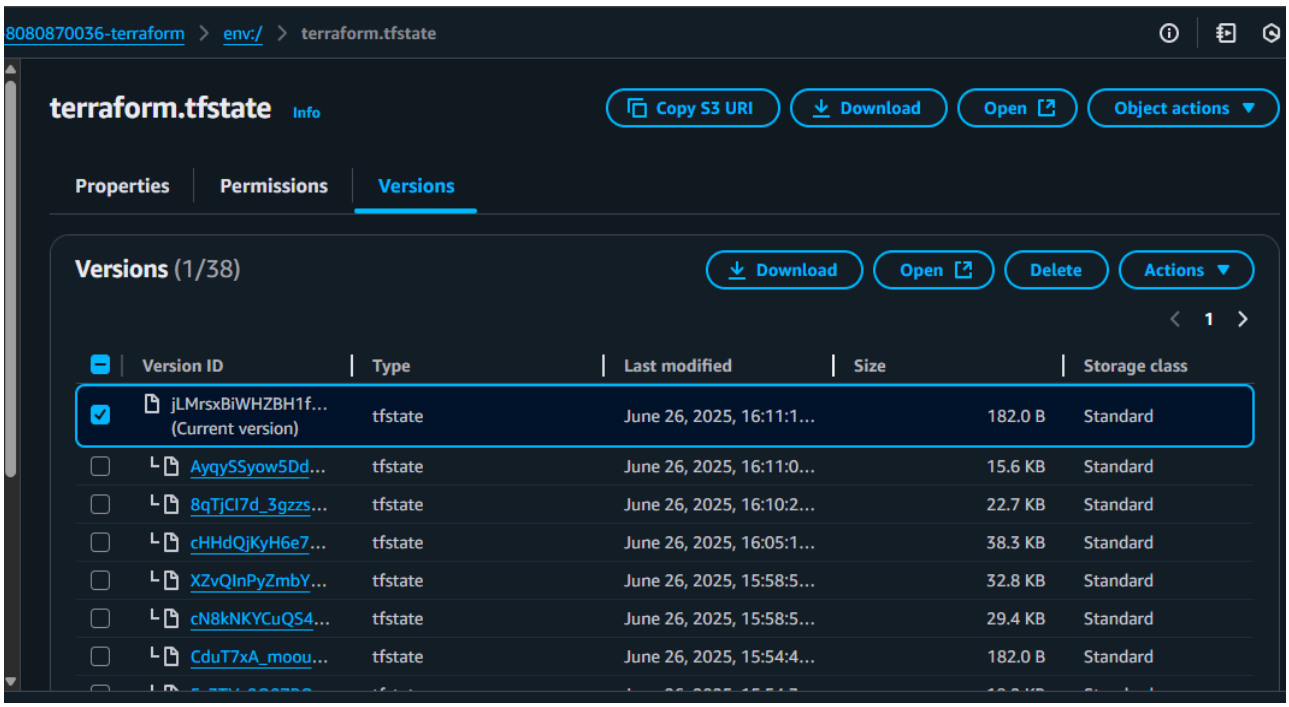
Applies the infrastructure changes. Terraform creates all AWS resources: **VPC, Subnets, Route Tables, Internet Gateway, EC2 Instances, Load Balancer**, etc.



Terraform state list
To see what Terraform resources have been created and are currently tracked in your **remote state**



Now we go to the s3 and dynamo DB to see the state file and locking.

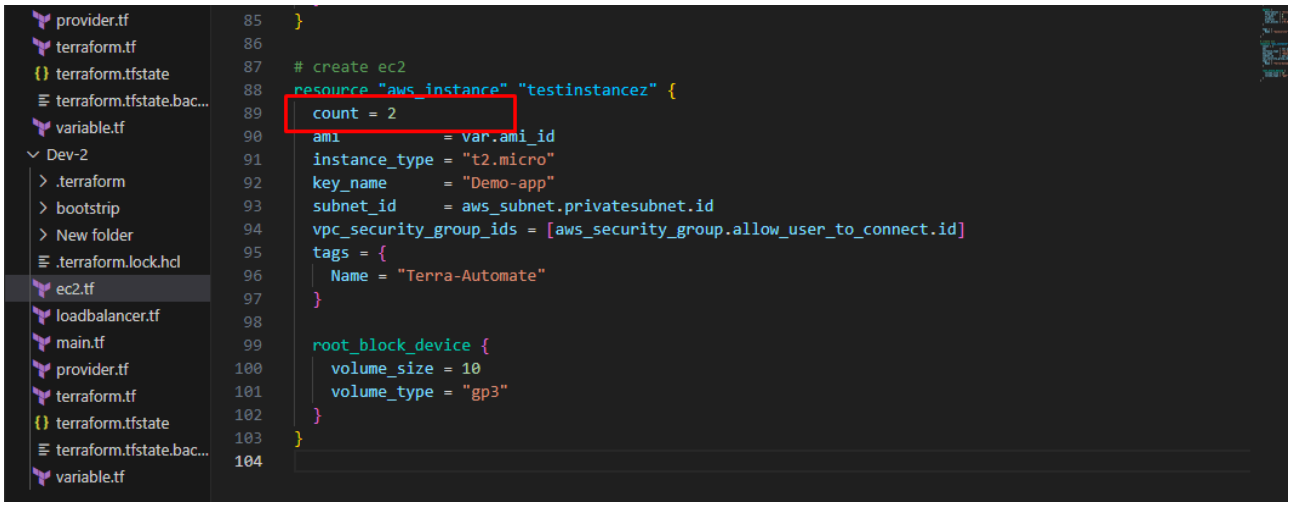


Dev-2 User: Testing Remote State Locking with Terraform

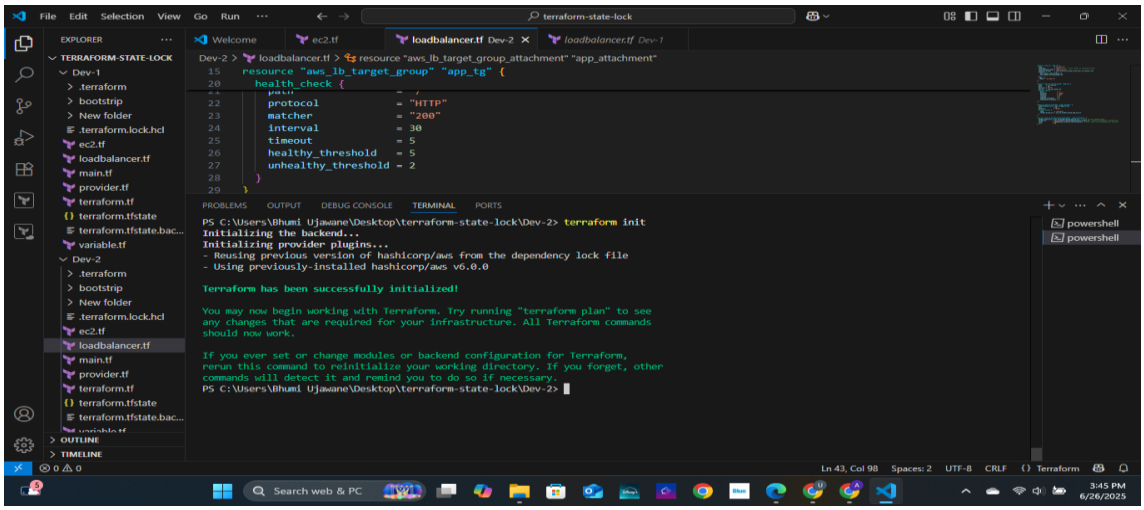
To simulate a real-world team collaboration scenario, a second user (**Dev-2**) was introduced. Dev-2 worked in a **separate folder** but used the **same backend** configuration pointing to the shared S3 bucket and DynamoDB table.

Copied all Terraform configuration files from Dev-1 to Dev-2.

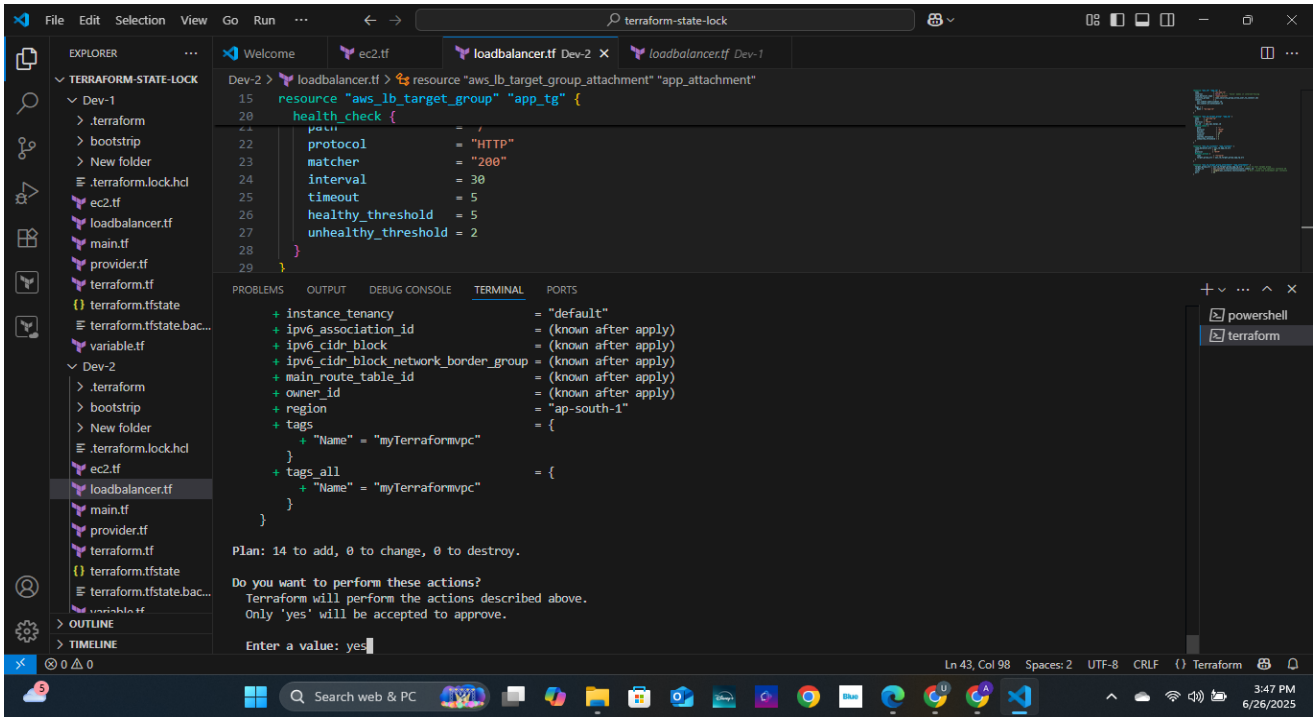
Made a small change (e.g., increased EC2 count to 2).



Terraform init -**Dev-2**

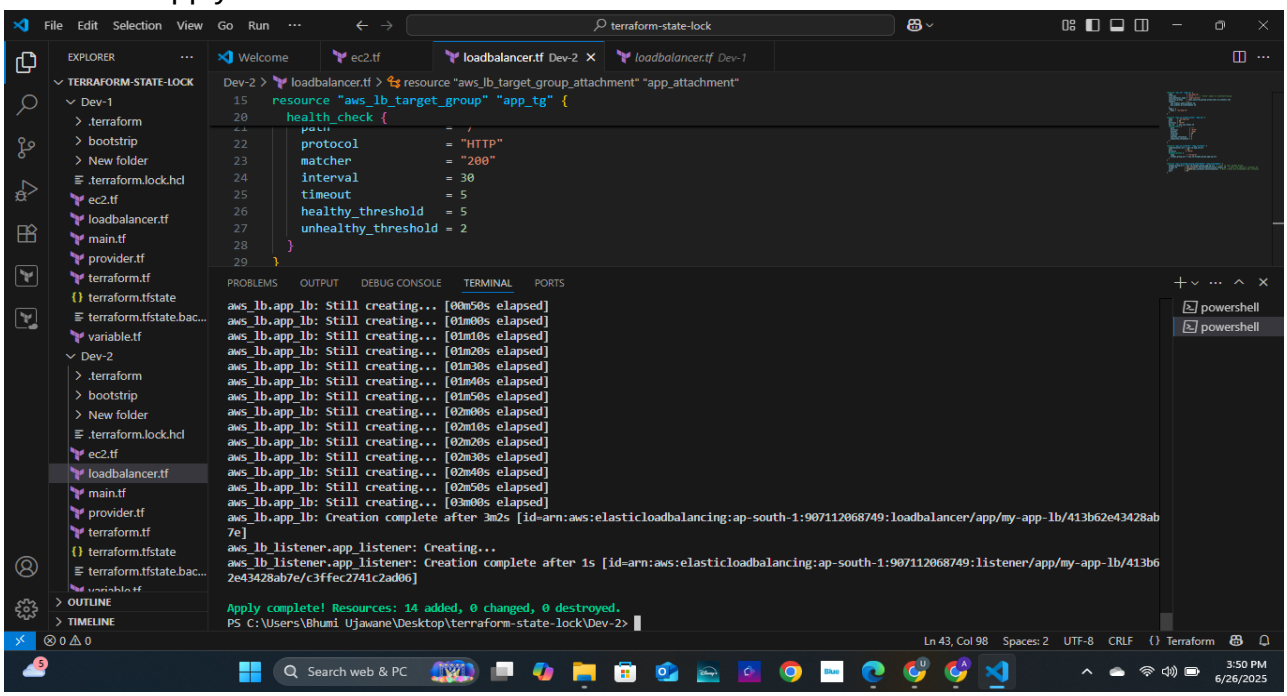


Terraform plan -**Dev -2**

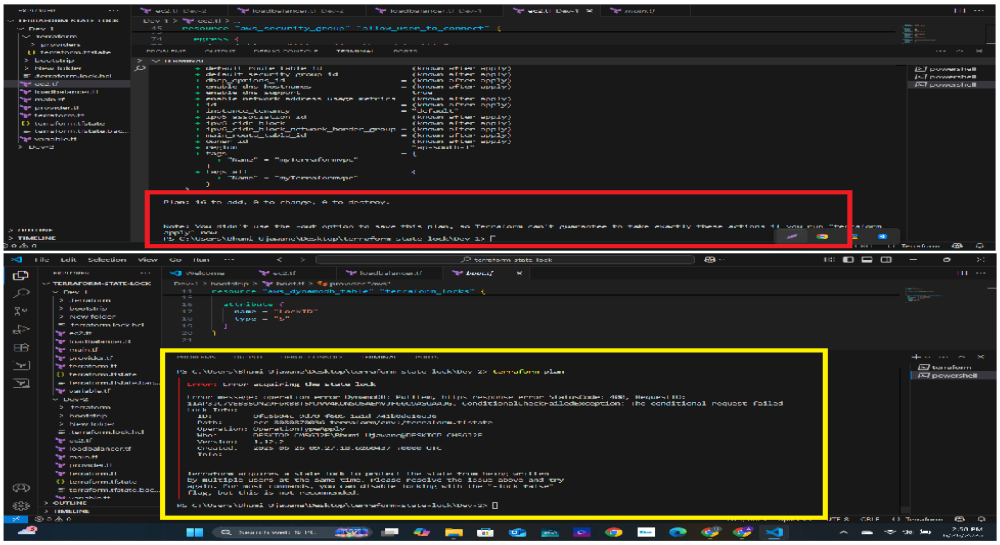


If Dev-1 is already applying changes, Dev-2 will see a **state lock error**. This proves that **state locking works** and prevents conflicting updates.

Terraform apply - **Dev2**

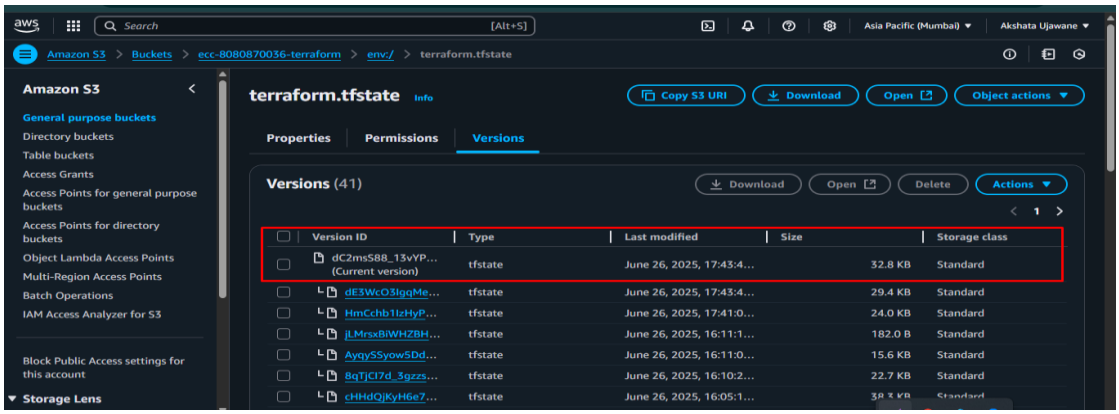


Now we will simulate two different users are trying to access the terraform state file and for one user he will be able to access the state file and for others, it will be locked.

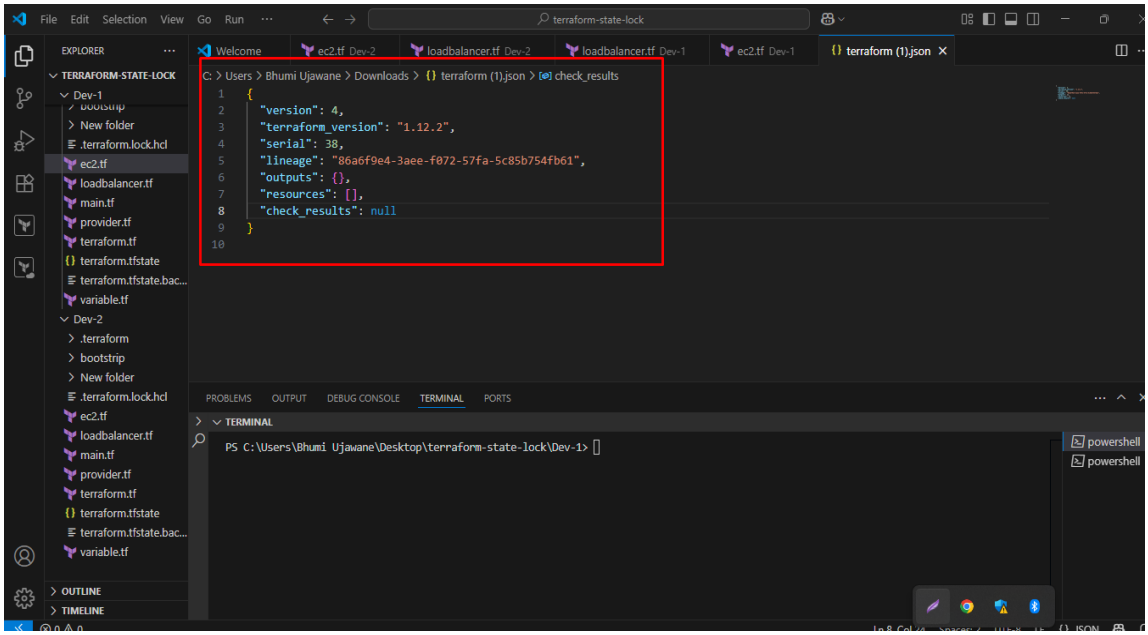


As we can see, in our case the user 1 ran command first, the command worked, and it succeeded. However, user 2 was not allowed to run because the state was locked.

Now we go to the s3 and dynamo DB to see the state file and locking.



the S3 bucket started to take versions of the state



In the end, don't forget to run the terraform destroy command. Also, as we use the prevent destroy argument while creating the S3 bucket, the S3 bucket, and DynamoDB table will not be deleted. So you can delete them from the AWS console.