Ad-Hoc Data Center Impact Committee

Findings from discussions regarding Sabey

Outline

- Mission Statement
- Committee Members
- Definitions
- Personal Interactions with Data
- MCBDP
- Taxes
- Power
- Water
- Jobs
- Environmental Impact
- Community Impact
- Community Comments/Questions
- Conclusion/BSB Website Reference

Ad- Hoc Committee on Data Center Impact Mission Statement

Evaluate, address, and communicate community questions and concerns regarding the proposed billion-dollar data center in Montana Connections Business Development Park. This Committee will ensure that development aligns with the economic, environmental, and social interests of Butte-Silver Bow, fostering transparency, collaboration, and informed decision-making.

Committee Members

Brian Sullivan (Chairperson)

Bob Morris (Co-Chair)

MacKenzie Christensen (Secretary/Recorder)

Paul Babb

Kelly Sullivan

Jim Kambich

Johnny MacLean

Todd Tregidga

Tammy Burke

Jim Keenan

Sarah Borduin

Stephanie Sorini

Hattie Thatcher

J.P. Gallagher

Julia Crain

Kayla Lappin

Karen Byrnes

Definition: What is Data?

Data is digital information that is created, stored, processed, and transmitted by computers.
Data can include:

- Text (emails, documents)
- Numbers (financial records, utility data)
- Images (medical scans, photos)
- Video and audio (calls, streaming)
- Software and applications

Examples of Everyday Data

- Medical records and lab results
- Online banking and credit card transactions
- Photos stored on phones
- Emails and work documents
- School records
- Emergency response systems

Definition: What is a Data Center?

A **data center** is a secure facility that houses computer servers and networking equipment used to **store, process, and transmit digital information**.

Data Centers are the backbone infrastructure of the digital world.

Data centers support:

- Internet access and website hosting
- Cloud storage and computing
- Financial transactions
- Healthcare records
- Emergency communications
- Government and public services
- Entertainment
- Travel (air, hotel, car rentals, etc.)
- Military
- Maps (GIS)
- Cell phone use

Definition: What is Cloud Computing?

Cloud computing means data and applications are stored on remote servers (data centers) instead of on a single local computer or device.

The "Cloud" is... a network of data centers

Examples:

- Email (Gmail, Outlook)
- Online banking
- Photo storage
- Social Media
- Streaming services
- Business software

Not All Data Centers Are the Same

Type	Primary Purpose	Typical Characteristics
Enterprise	Internal organizational use	Smaller scale, dedicated users
Colocation	Shared infrastructure	Multiple customers
Hyperscale	Cloud & internet services	Large, efficient, long-term
AI Data Center	AI & advanced computing	High-density, specialized hardware
Cryptocurrency	Blockchain mining	Single-purpose, minimal staffing

Proposed Project fits these categories

Everyday Services Powered by Data Centers

- **Healthcare**
  - Electronic Medical Records (EMRs)
  - Imaging (X-rays, MRIs, CT scans)
  - Patient portals & telehealth visits
- **Phones & Communication**
  - Phone calls and text messages
  - Email
  - Video calls (Zoom, FaceTime)
- **Internet & Cloud Storage**
  - Websites and search engines
  - Photo and video backups
  - Business data and government records
- **Financial Services**
  - Online banking
  - Credit card transactions
  - Payroll and tax systems
- **Entertainment & Media**
  - Streaming video and music
  - Online gaming
  - Social media platforms
- **Public Safety & Government**
  - 911 dispatch systems
  - Emergency response coordination
  - Public records and databases
- **Travel**
  - Airline Tickets
  - Hotel Reservations
  - Rental car bookings

Economic Development Process

How we evaluate projects:

Community Fit & Land Use Compatibility
- Alignment with zoning and district intent
- Appropriate scale and long-term land use considerations

Infrastructure Readiness & Impact
- Power, water, wastewater, and transportation capacity
- Phasing and scalability over time

Economic & Fiscal Impact
- Job creation (direct, indirect, and construction)
- Long-term tax base contributions
- Cost-benefit considerations for public infrastructure

Environmental Responsibility
- Compliance with state and federal regulations
- Resource efficiency and mitigation planning

Workforce & Local Benefit
- Opportunities for local and regional employment
- Use of local contractors and service providers

Long-Term Viability
- Financial stability of the project
- Commitment to long-term operation and maintenance

Montana Connections Land Sale Public Process

1

Company approaches BSB staff about interest in Montana Connections

2

Staff work with company to understand needs & determine if Montana Connections Park is a good fit using best practices for Economic Development

3

If company is a fit, staff work with company to develop a Purchase & Sale Agreement

4

Purchase and Sale Agreement placed on agenda with Montana Connections Board of Directors

5

Montana Connections Board of Directors vote yes or no to recommend purchase and sale agreement to Council of Commissioners

6

Purchase and Sale Agreement Placed on Regular Council Agenda by staff

Montana Connections Land Sale
Public Process

7

Council of Comissioners vote yes or no to approve the purchase and sale agreement

8

If yes, the Company, Chief Executive, and County Attorney Sign the Agreement

9

If
Company wants to use their option to purchase, staff will place a Resolution of Sale on Council Agenda

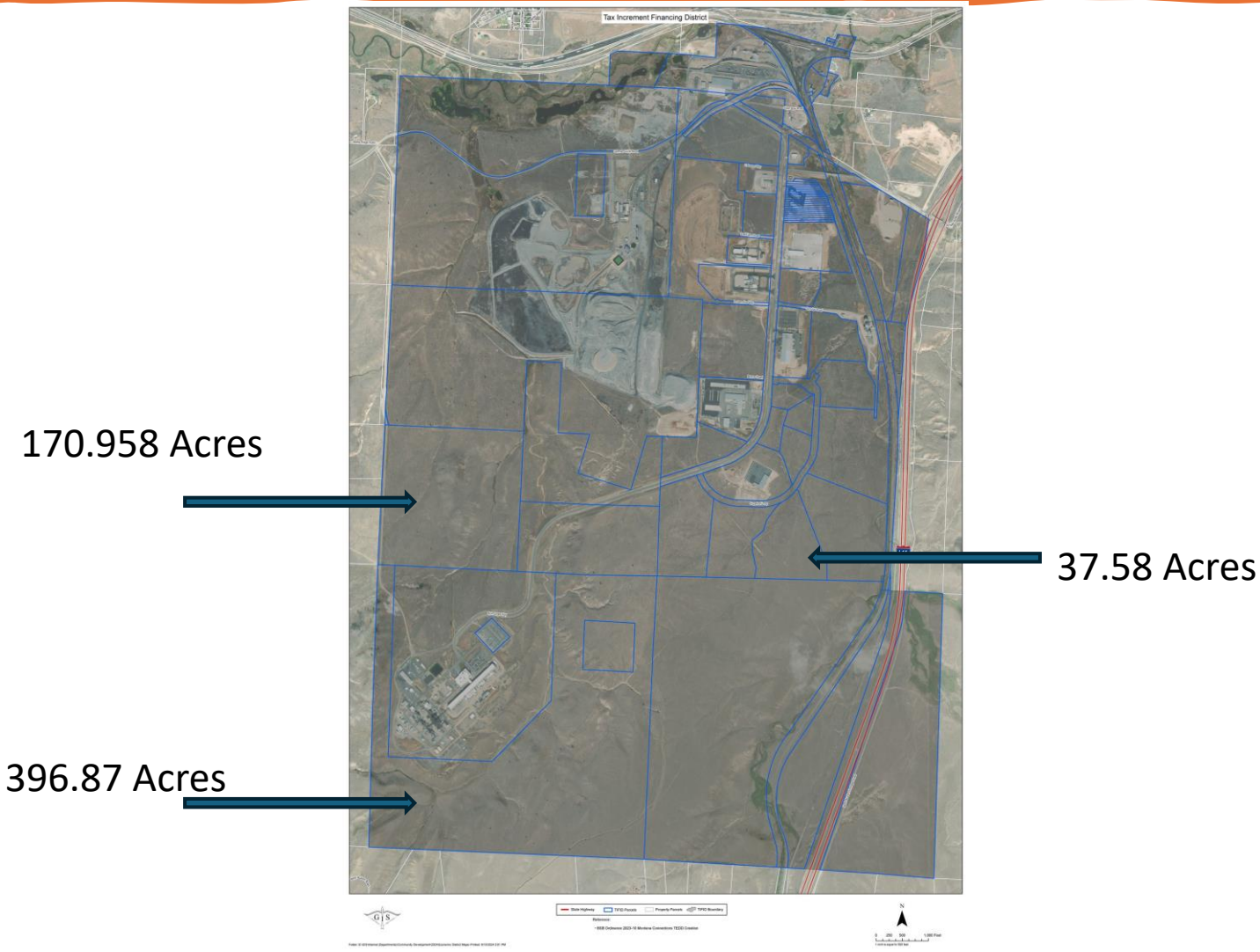
10

Resolution of Sale must pass by a ⅔ council majority

What is being proposed by Sabey?

- Currently, Sabey (Horizons Montana, LLC) is under a purchase and sale agreement (PSA) with Butte Silver Bow for 606 acres of land in the Montana Connections Targeted Economic Development District (MCTEDD)

- The PSA includes an **inspection period**, which allows Sabey to:
  - Conduct due diligence
  - Evaluate feasibility
  - Decide whether to proceed



What “Due Diligence” Means in Economic Development

- **Site Feasibility**
  - Geotechnical studies (soil, bedrock, seismic considerations)
  - Configuring Site layout, grading, and access
  - Long-term suitability for the proposed use
- **Infrastructure Capacity**
  - Availability of electrical power
  - Feasibility of power contracts and timelines
  - Water, wastewater, and stormwater considerations
  - Fiber and transportation access
- **Environmental & Regulatory Review**
  - Identification of required permits and approvals
  - Environmental constraints or mitigation needs
  - Compliance with state and federal regulations
- **Financial & Market Feasibility**
  - Project economics and long-term viability
  - Construction phasing and investment timelines
  - Sensitivity to market conditions
- **Design**
  - Designing a facility that meets site challenges and capabilities
- **Workforce Assessment**
  - Available workforce and training needs
  - Project

Montana Connections Business Development Park

Bottom Line from the Montana Connections Board:

- Sabey is a highly credible and experienced data center developer.
- The proposal delivers strong economic benefits including construction activity, permanent jobs, significant tax base expansion, and local spending.
- 2 (586 acres) of the 3 parcels (606 acres) are completely undeveloped, would be very expensive to subdivide in support of smaller developments as the topography is very difficult and they are very far from existing infrastructure. They are perfectly suited for one developer needing substantial acres.
- This project presents an opportunity to anchor the TEDD for significant additional economic growth similar to REC/Asimi's role in the original TIFID.
- The tax increment generated by this project could be heavily leveraged to attract many more projects and adding considerably more jobs and tax base.

What Is a Targeted Economic Development District (TEDD)?

A **Targeted Economic Development District (TEDD)** is a geographic area to:

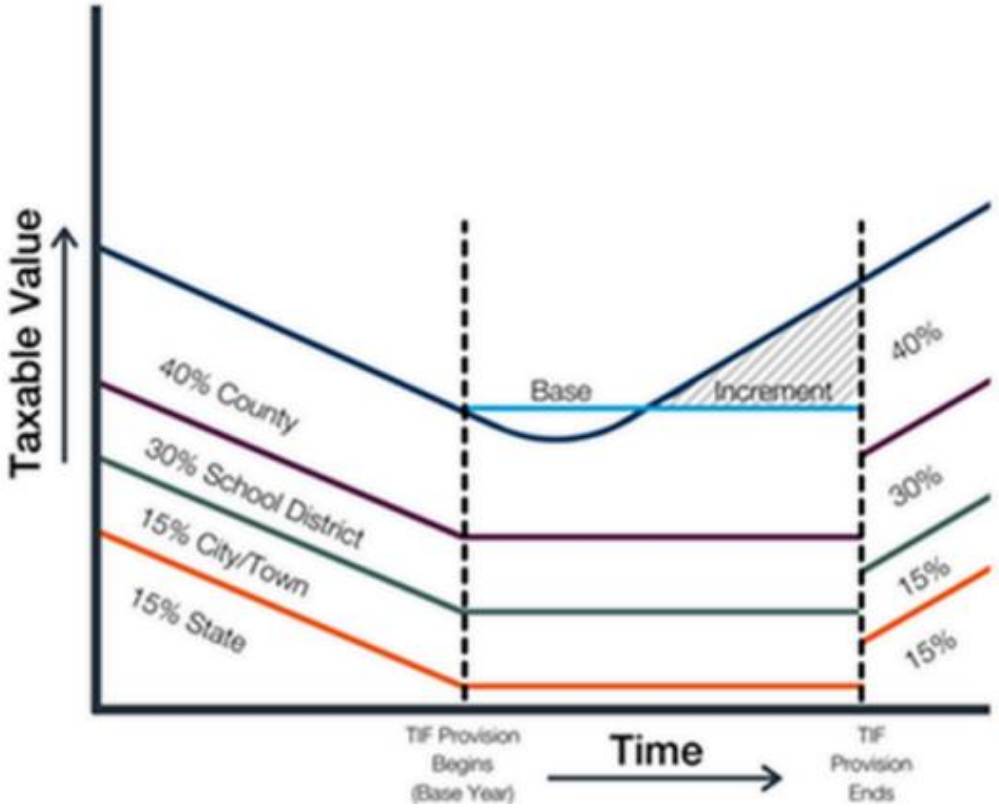
- Attract large-scale economic investment
- Support infrastructure development
- Encourage job creation and tax base expansion

TEDDs allow for:

- Long-term infrastructure planning
- Predictable tax structures
- Local government oversight and agreements

Taxes

- Proposed Project is in a Targeted Economic Development District (TEDD)
- The “Base” of a TEDD refers to the districts current taxable value
  - This base starts January 1st of the year the district was created. Montana Connections was created in 2003
- Data Centers are classified as a class seventeen property. This means they are taxed at 0.9% of its market value
- Future increases in property tax revenue are referred to as “increment” and are generated by new development in the district and go to the district, not the general fund.
- Increment Funds can be used to pay for public improvements such as roads, water, sewer, or site preparation



The Montana Connections Data Center Electricity Use

Sufficient Existing Supply – No Rate Increases

NorthWestern Energy

Delivering a Bright Future

Jan. 19, 2026

Large Load Tariff

NorthWestern Energy is already in the process of developing a Large Load Tariff to present to the Montana Public Service Commission to ensure rates for all customers are fair and protect existing customers when new, high-demand customers connect to the Montana energy system. The tariff will outline financial and contractual responsibilities for large load customers and establish safeguards for all customer classes.

- ✓ **Existing electric supply is sufficient:** NorthWestern Energy's existing system can support data center load
- ✓ **Infrastructure costs are not passed on:** All required transmission and substation upgrades are **paid in full by Sabey Data Centers**, not Montana ratepayers
- ✓ **Rates are protected by law:** Montana statutes require PSC approval and proof that new large electricity users **do not raise rates** for existing customers
- ✓ **Northwestern Energy is filing a Large Load Tariff** to ensure the data center does not raise electricity rates for other customers
- ✓ **Recent rate increases had different causes:** Increases were driven by **power plant retirements and inflation**, not by large new electricity customers
- ✓ **Large new loads can stabilize rates:** Adding demand spreads fixed system costs and can **lower per-unit electricity costs** for other customers

The Silver Lake Water System (SLWS)

- Comprised of a complex network of reservoirs, streams, diversions structures, flumes, pipelines, and pump stations that are used to manage surface water resources located within the Warm Springs Creek watershed in Deer Lodge County, Montana
- The SLWS is owned and operated by the City and County of Butte-Silver Bow and is managed for the purposes of providing water to a variety of industries within Deer Lodge and Silver Bow Counties as well as providing in-stream fisheries flows
- The SLWS is a separate, stand-alone system that is financially supported by payments received from the customers of the system and does not receive any subsidy from the ratepayers of the potable water system or the taxpayers of BSB

Water for Silver Lake Pipeline comes from:

- **BSB Direct Flow WR on Warm Springs Creek**
- **Lake Storage WR**

Meyers Diversion

60" Transmission Line
Meyers Diversion to
New Hill Cemetery

Anaconda

54" Transmission Line
New Hill Cemetery
to Smelter Hill

Smelter Hill

Dave Gates
Generating Station

Twin Lakes

Storm Lake Dam

34" Transmission Line
Smelter Hill to
TIFID Pump Station

Storage WR:
Silver Lake—13,138 acre-feet/17,500 acre-feet F/RF
Georgetown Lake—1,920 acre-feet
Storm Lake—2,360 acre-feet/3,309 acre-feet F/RF

Direct Flow WR:
Twin Lakes Creek—219 cfs/38,655 acre-feet
Storm Lake Creek—189 cfs/12,500 acre-feet

Warm Springs Creek Direct Flow WR:
54.7 cfs total/38.75 cfs during Irrigation season

Ramsay Pumping Station

Summit Valley Inter-Connect

Montana
Resources

I90

P

TIFID Pumping Station

Butte

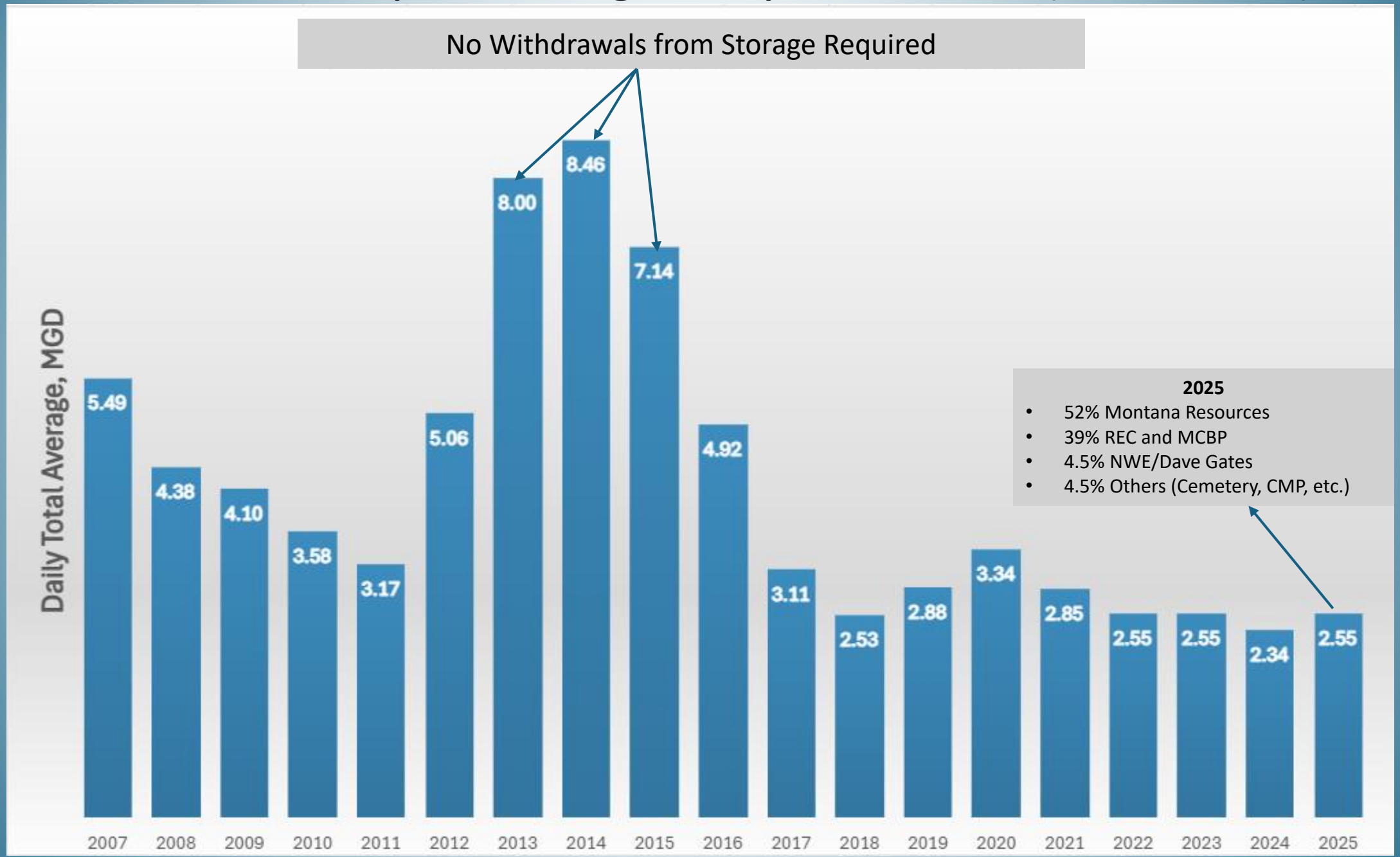
30" TIFID Transmission Line

34" Transmission Line
Ramsay Pump Station to MR

Montana Connections
Business Development
Park / TIFID

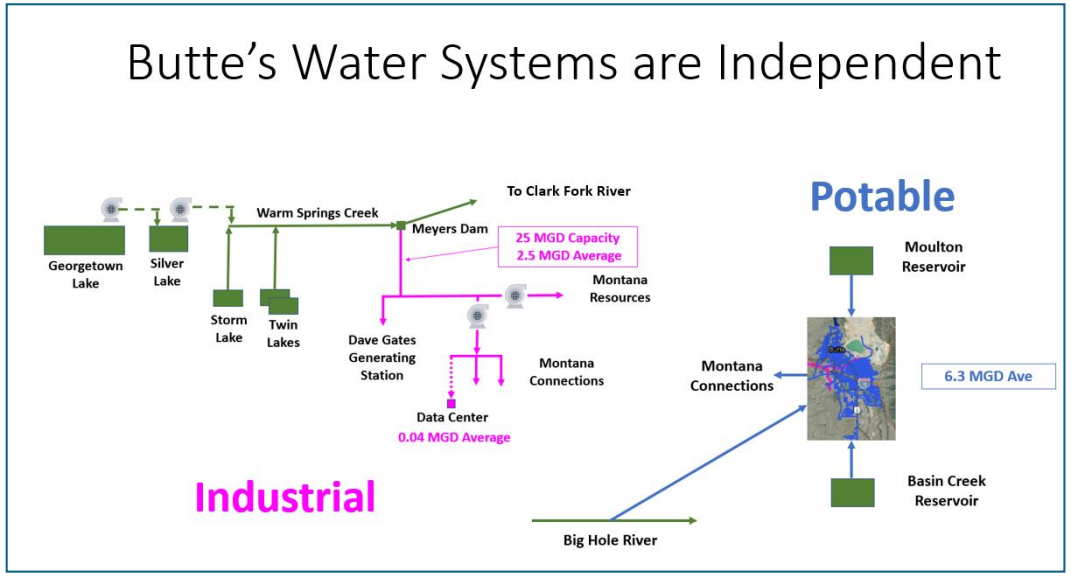
I15

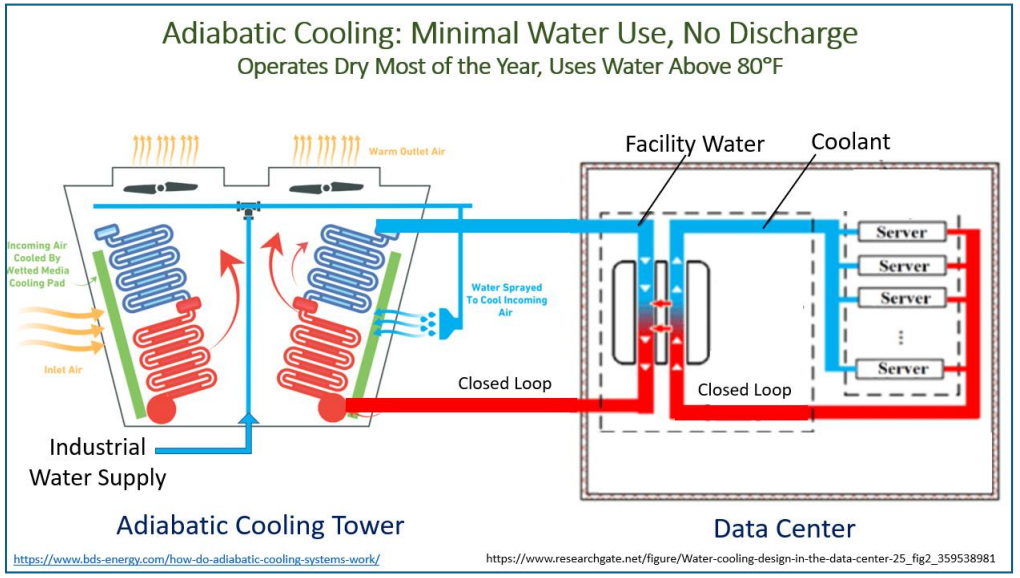
SLWS “Total Pipe” Average Daily Water Use (2007-2025)



The Montana Connections Data Center
Minimal Water Use, No Discharge

Cooling System Design	Closed loop. Air cooled below 80°F. Evaporative cooling above 80°F
Data Center Annual Use	16 million gallons/year
Water Source **Maximum Capacity**	Silver Lake industrial water system 25 million gallons per day
Present System Use	2.5 million gallons per day
System Use with Data Center – **Average Annual** **Average Summer**	 2.54 million gallons per day 2.8 million gallons per day
Wastewater	None during normal operations. Cooling system cleaned 2X per year with mild detergent. Cleaning water captured and treated offsite.
Cost Coverage	Industrial water users contract with BSB, no impact to taxpayers

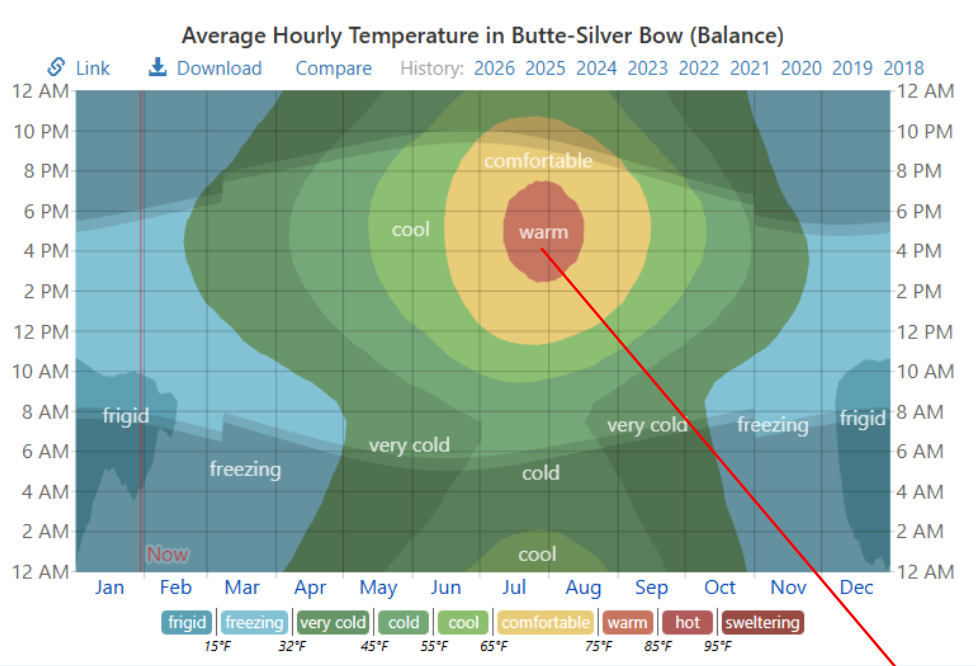




Bob Morris 6 February 2026

Data Center Water Usage Information

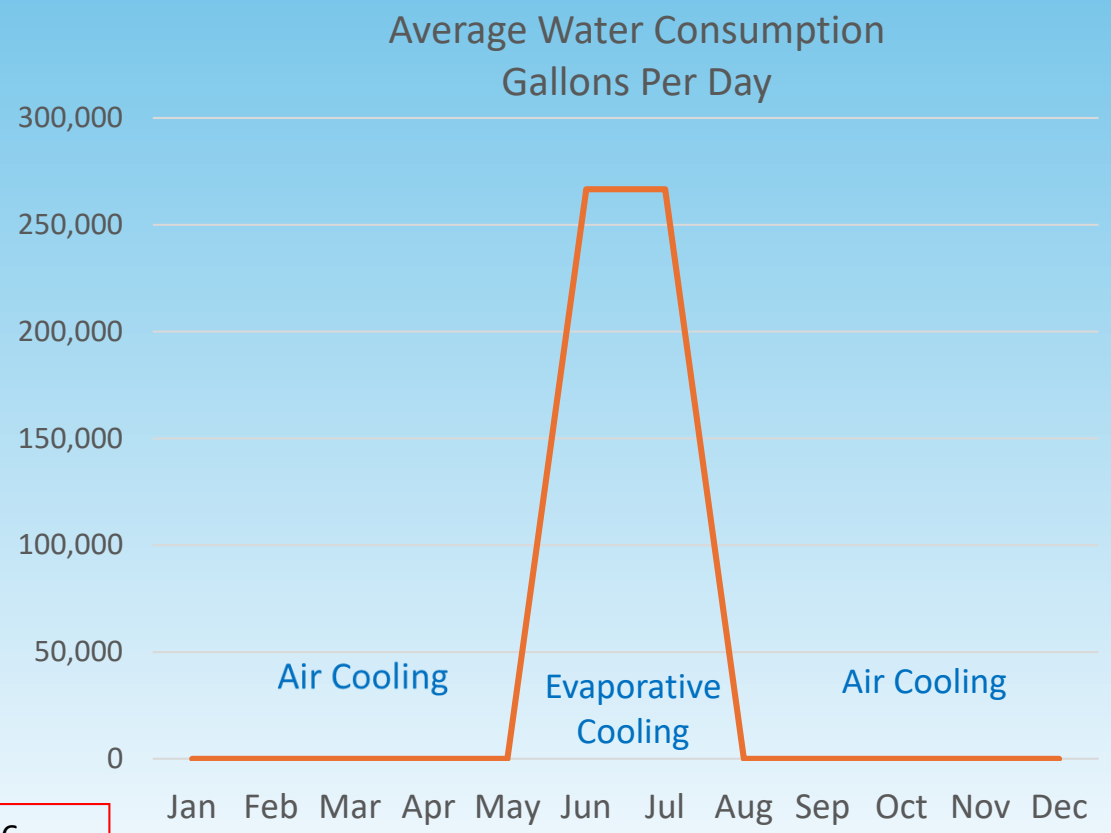
Data Center Evaporative Cooling for Outside Air Temperature > 80°F



[Butte-Silver Bow (Balance) Climate, Weather By Month, Average Temperature (Montana, United States) - Weather Spark]

Average summer water use = 16 million gallons/60 days = 267,000 gallons per day.

Cooling Water Use for 200MW Butte Data Center



Bob Morris 10 February 2026

Summary of Metro Sewer Permit Procedures

Metro Sewer Permit Requirements:

- Eric Gonder states Metro Sewer receives sanitary wastewater (kitchens, toilets) and industrial wastewater.
- Industrial wastewater requires permitting.

Permit Application Requirements:

- Applicants for industrial wastewater permit must submit to sampling, provide data from a comparable source and provide an industrial waste survey (chemicals it uses in wastewater).
- The sanitary and industrial wastewater is delivered to Metro Sewer separately and then combined after testing etc.

Cost of Connection to Metro Sewer and BSB Oversight:

- Bill Andrene states the contractor (Sabey) would pay for the cost of tie into the Metro Sewer System.
- BSB certifies the tap at the point of tie into the system.

Jobs

Sabey's Quincy, Washington Campus (a 60MW facility) employs 200 full-time employees. Some are Sabey employees. Some are contract employees

$25-$30/Hour Starting Wages

$100,000+ Advanced Professional Wages

Construction of the campus is expected to last 10-15 years and employ 500-600 construction workers.

Sabey will work with out local high schools and colleges to create career pathways for students. Some pathways start as early as middle school. This will be like opportunities they have for students in WA

The proposed campus for Montana Connections is initially a 50 MW facility with plans for expansion. We can expect roughly the same number of jobs.

References: John Sabey, Montana Connections Nov 14., MCTEDD board meeting agenda minutes, and staff conversations.

Data Center Employment: What the Numbers Actually Look Like

At Full Build-Out (~200 MW Campus)

Job Category	Estimated Jobs	What This Includes
Direct Data Center Operations	40–60 (permanent)	Data hall technicians, engineers, operations managers, IT infrastructure staff
On-Site Support & Ecosystem Jobs	120–160 (permanent)	24/7 security, facilities & maintenance, electrical/HVAC vendors, network services, embedded tenant/client staff
Total Ongoing On-Campus Jobs	~160–220 (permanent)	Combination of direct operations + permanent on-site support roles
Construction & Expansion	300-600 (temporary)	Skilled trades during multi-year build-out as data halls are added

Workforce benchmarks compiled from national data center labor studies and operational case examples from multi-campus developments, including peer facilities operated by **Sabey Data Centers** in Quincy, Washington.
Industry studies consistently show **~20–30 direct ops staff per 100 MW** for hyperscale facilities: Hamm Institute for American Energy (Dec 2025) – Data Center Workforce Benchmarks:
"Hyperscale/efficient data centers (≥100 MW) can operate with as few as 20–30 permanent staff per 100 MW (≈0.15–0.20 FTE per MW)."

Environmental Impacts

- Noise Impact – Kayla will add last week's information
- Lighting Impacts – Kayla will add last week's information

Community Impacts

- Housing impacts – Kayla will add last weeks information

Workforce Opportunities Related To Data Centers

- Data Center Operations
  - HVAC
  - Electrical
  - Control Systems
  - Security Systems
  - Construction
  - Ongoing building maintenance
- IT
  - Data Center Technicians
    - Programmers
    - Cyber Security
  - Mission Critical Operations
    - Server Maintenance

What is the impact for local job market, Montana Tech and Highlands College

- Initial construction and build out will provide construction jobs for Highlands College graduates and local community contractors.
- Potential contract agreements may be made with local HVAC and Electrical contractors.
- Sabey has partnered with local Community Colleges at other sites to develop curriculum and create technician programs to support data center needs and create jobs for students e.g. Big Bend Community College and Valley Community College

Community Comments/Questions

Community Comments/Questions Continued

Conclusion/ BSB Website References

- For more information regarding this committee and the data center project please visit one of the two pages below:

- https://co.silverbow.mt.us/3468/Ad--Hoc-Data-Center-Impact-Committee

- https://www.buttedatacenterinfo.com/