May 8, 2026

Riesel City Council and McLennan County Community
104 N Memorial St.
Riesel, TX 76682

Re: The Development of a Data Center by Cipher Digital in McLennan County

Dear Riesel City Council and McLennan County Community,

The Cipher Digital team looks forward to connecting with you all in person soon, but we wanted first to provide a letter of introduction to the community in the meantime. Cipher Digital is a publicly traded data center developer that works with many of the largest U.S. based hyperscalers and AI companies that are actively striving to win the AI race against China. Our company has deep experience developing data centers in Texas. We have always maintained a very high-quality relationship with the local communities we have the privilege of becoming a part of.

In order to allay anxiety or concerns about the prospect of a data center being constructed in McLennan County, we would like to provide as much information as we have at this point in time. We are not asking members of the Riesel City Council to sign non-disclosure agreements.

We have found that communities are often concerned about the potential noise, water consumption, utility bills, and aesthetic impact of a data center being built in their area. While we do not yet know the specifications of the data center we will build in McLennan County, we would like to give you a short summary of our thoughts on these issues:

1) During normal operations, we expect this data center to emit approximately 65 decibels of noise at the property line. For context, 65 decibels is the noise level of a typical running dishwasher.
2) Cipher Digital will comply with the newly developed Texas Public Utility Commission's Project 58481. We will pay financial security to the utility and pay for the transmission equipment construction costs. These payments are intended to ensure the community and residential rate payers will not experience higher transmission and distribution charges from the utility as a result of the data center's presence.
3) We will work collaboratively with the community to explore opportunities to enhance the aesthetic appearance of the data center and surrounding property.
4) We cannot yet estimate water consumption because those estimates depend on the technical requirements of our tenants, which have yet to be determined, but our goal is to optimize consumption by using the latest in cooling technology and prevent adverse

effects to local communities. At other sites, for example, we have creatively employed treatment solutions for brackish or recycled water to reduce potable water consumption. We commit to keep you informed once we have reasonable estimates we can share. **We do not plan on using any City of Riesel water for the purpose of cooling the data center**, but we may request to use city water for sinks and toilets for the staff working at the data center.

5) Subject to discussions with the County and a good deal of other factors that have yet to be determined, a third-party tax consultant estimates that this facility will contribute approximately $13M in taxes each year on average over ten years considering depreciation.

At Cipher Digital, we believe that being a good neighbor contributes significantly to the success of the business. When we choose a location to host one of our data centers, we are making a long-term commitment to that area and the people who call it home. In McLennan County and in the city of Riesel, we are committed to working closely with local leaders, residents, and organizations from day one, listening to their priorities, hiring locally when we can, and finding meaningful ways to contribute.

We look forward to connecting with the community for an in-person gathering in the coming weeks.

Sincerely,

Lee Bratcher
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