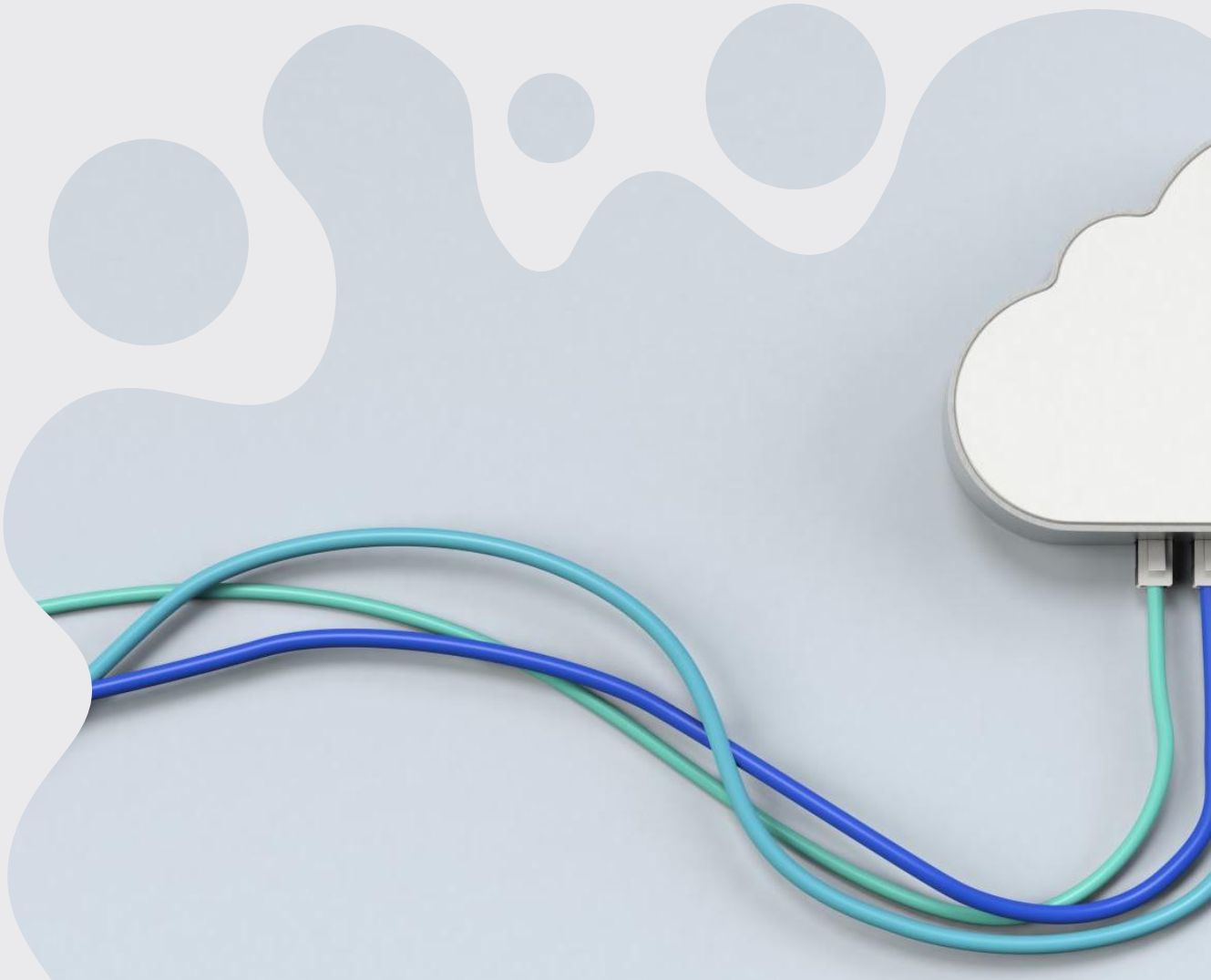
Ad-Hoc Data Center Impact Committee

Findings from discussions regarding Sabey

Presentation Outline

- Mission Statement
- Committee Members
- Definitions
  - What is Data?
  - What is a Data Center?
  - What is Cloud Computing?
- Taxes
- Power
- Water
- Jobs
- Environmental/Community Impact
- 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

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

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

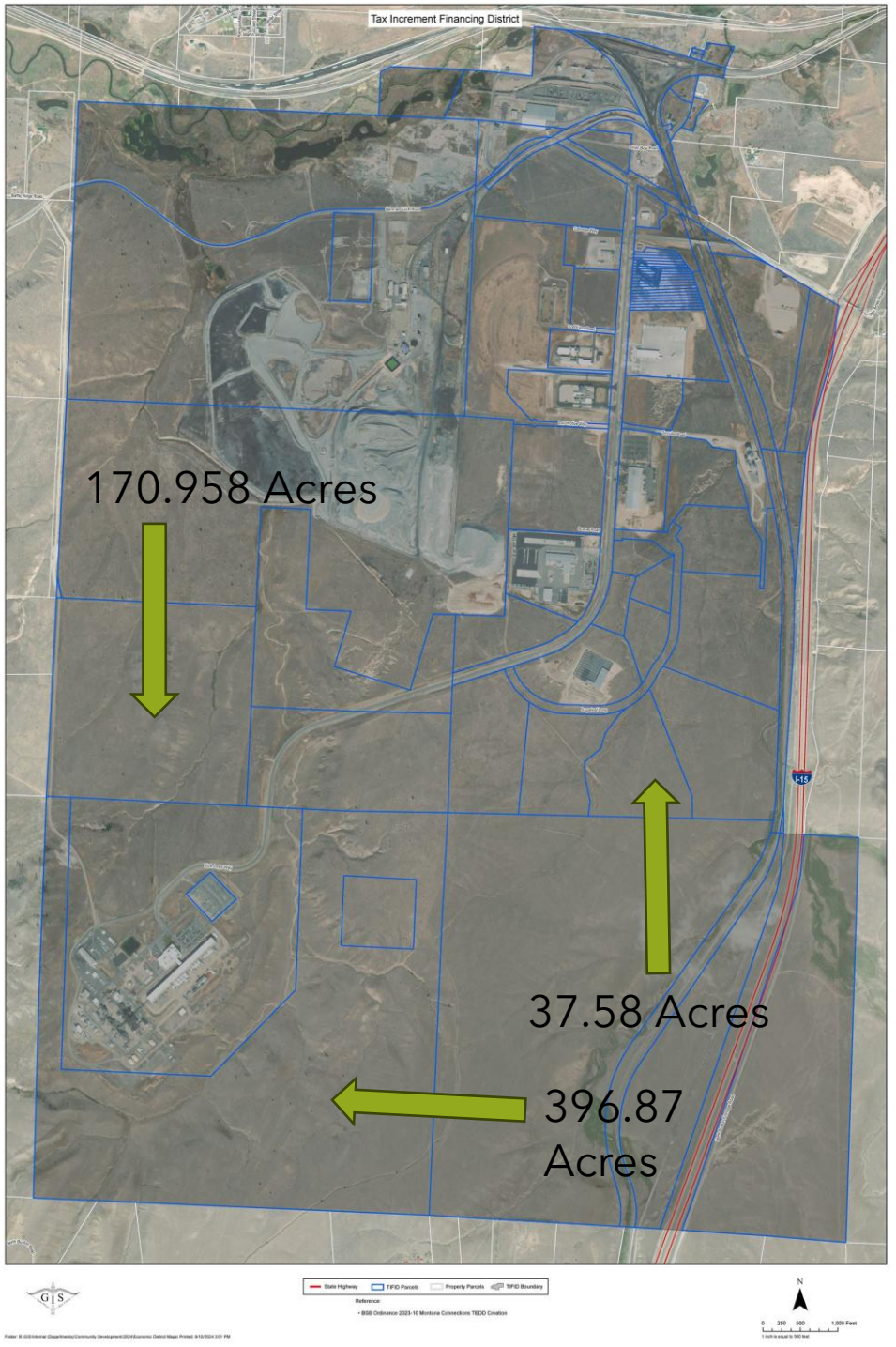
Project Details

Purchase & Sale Agreement

- Entered into April 2025
- Recently extended to August 11, 2026
- 606.6 Acres of property (3 parcels) in the Montana Connections Targeted Economic Development District

What is being proposed?

- Campus of buildings
  - **Primarily Colocation type of center**
  - Hyperscale, and AI type of facilities could be explored depending on tenant needs
- 10 Year Construction Period (could go longer)
- 16 Million Gallons Per Year **at full build out**
- 200MW facility **at full build out**



Taxes at Full Buildout

562 Mills Collected in the MCTEDD

Excluded from Increment - SB 388

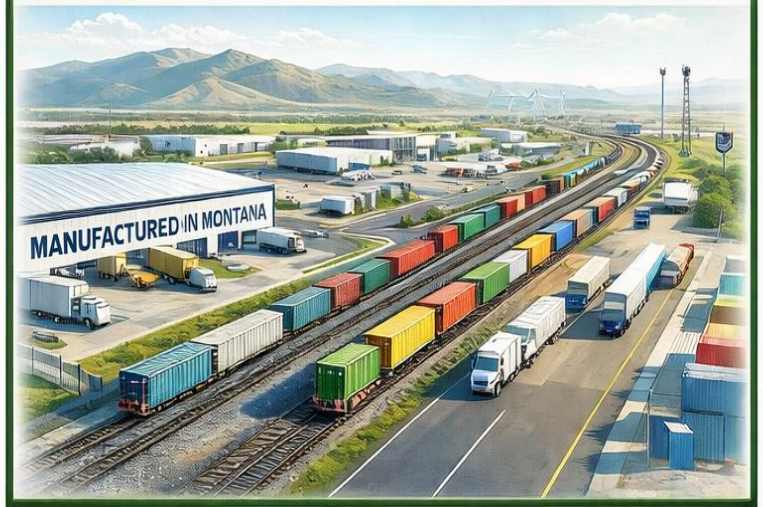
- University Mills – 7.5
- 50% of K-12 Mills – 49.6
- New Levies Since TEDD Creation – 5.0

Total: 62.1 Mills Excluded

Total: 62.1 Mills Excluded

MCTEDD Increment

500.3 Mills Available for Economic Development



MCTEDD Increment

Tax Revenue Calculation:

$1,000,000,000 ($1.0 Billion)
Illustrative Example

$1,000,000,000 x 0.9%

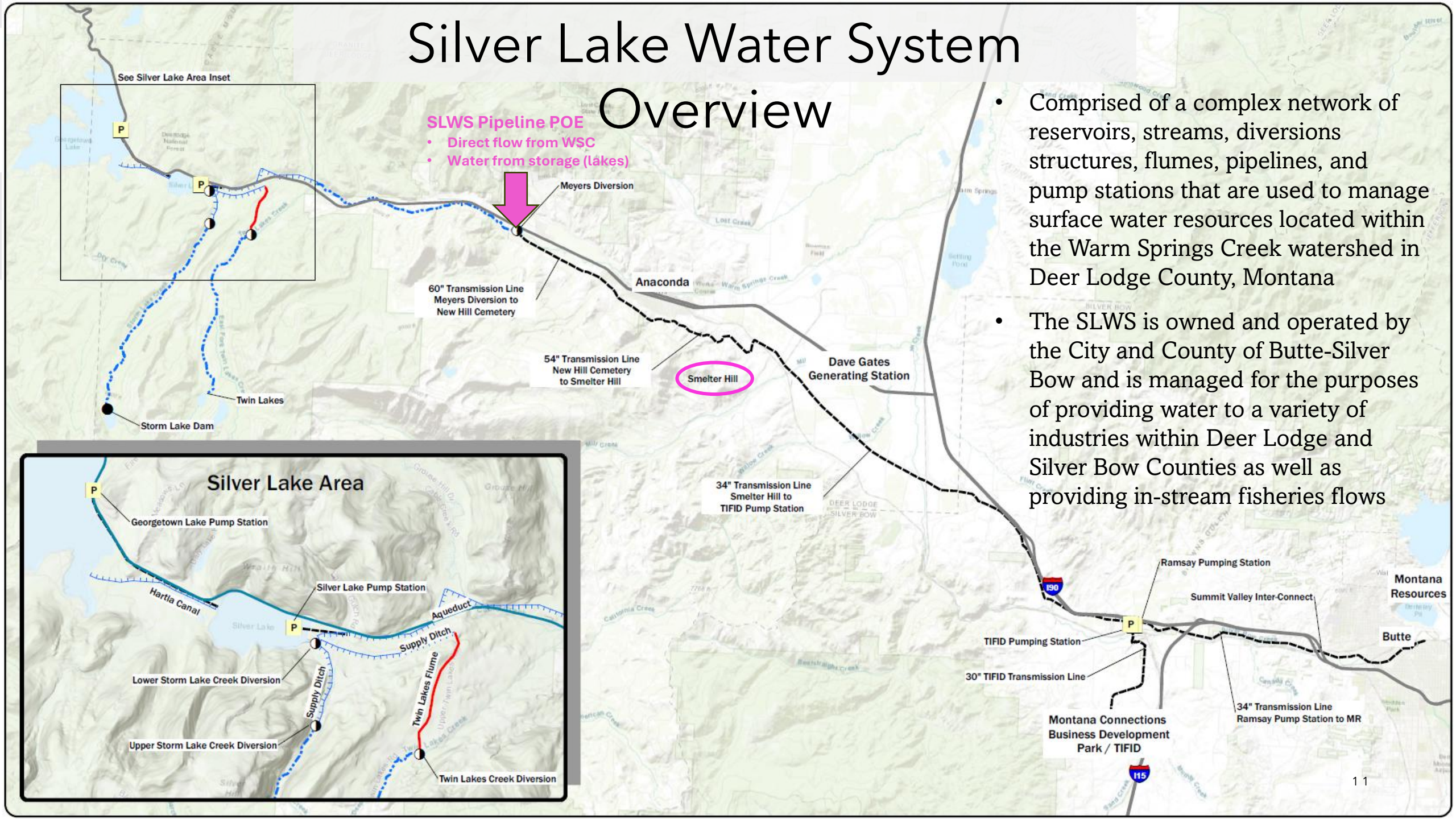
$9,000,000 Taxable Value

62.1 Mills Excluded	500.3 Mills MCTEDD Increment
× $9,000,000	× $9,000,000
= $558,900	= $4,502,700 Increment
(SB 388)	Increment

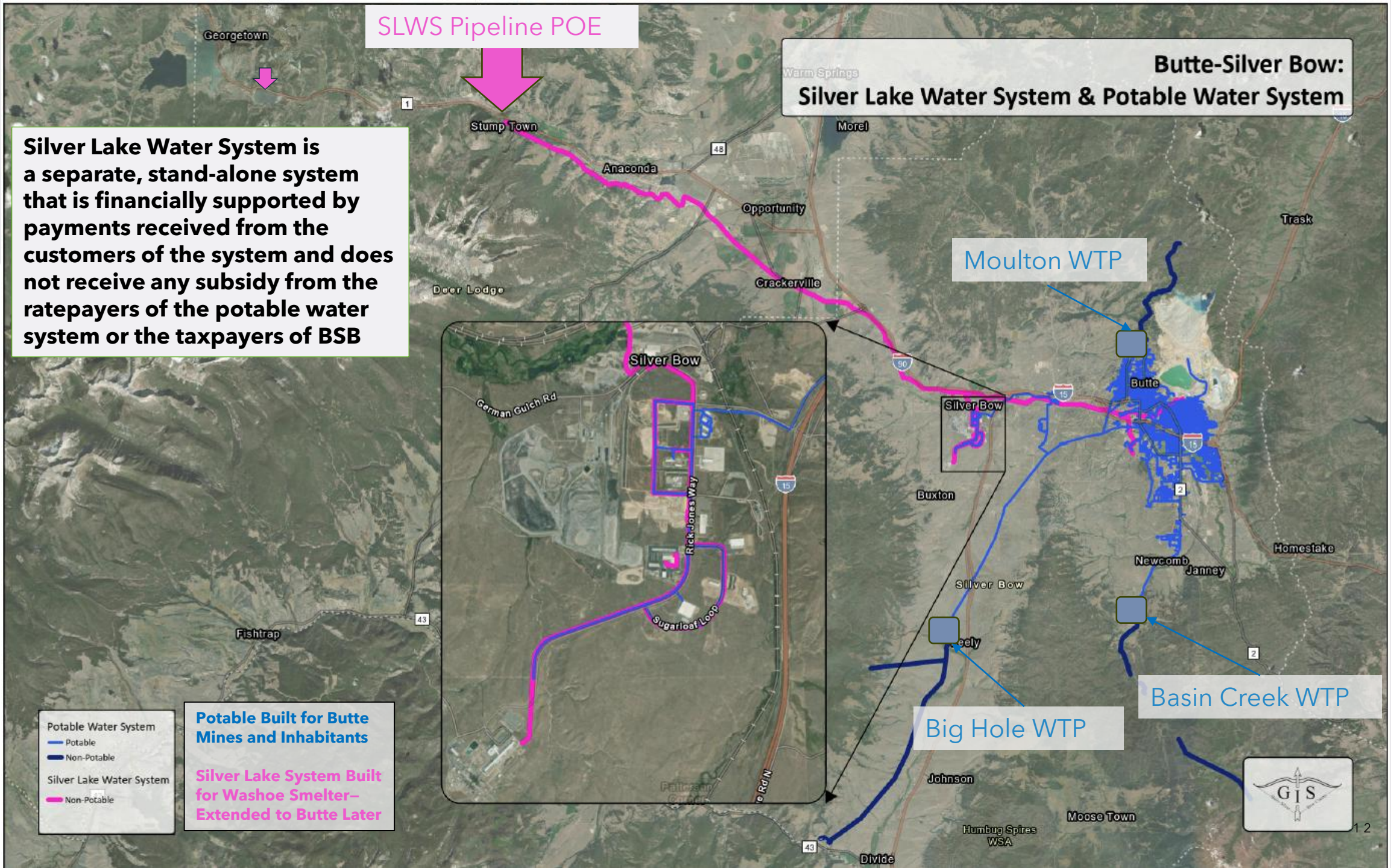
Total Increment: $4,502,700

Reference: Annual increment collections over the 10 years before the previous TIFID district sunset averaged $4.2 million.

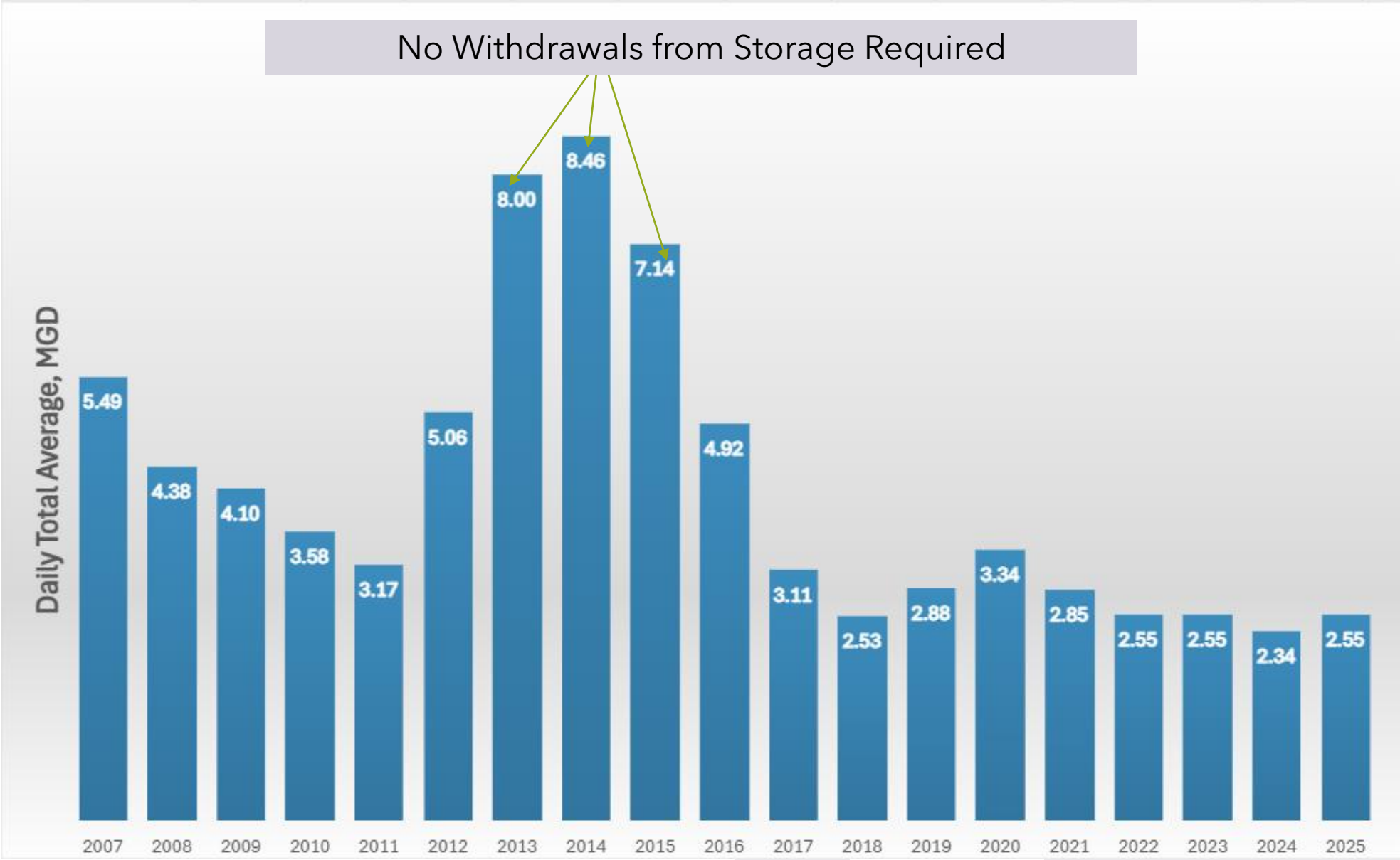
Silver Lake Water System Overview



- 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

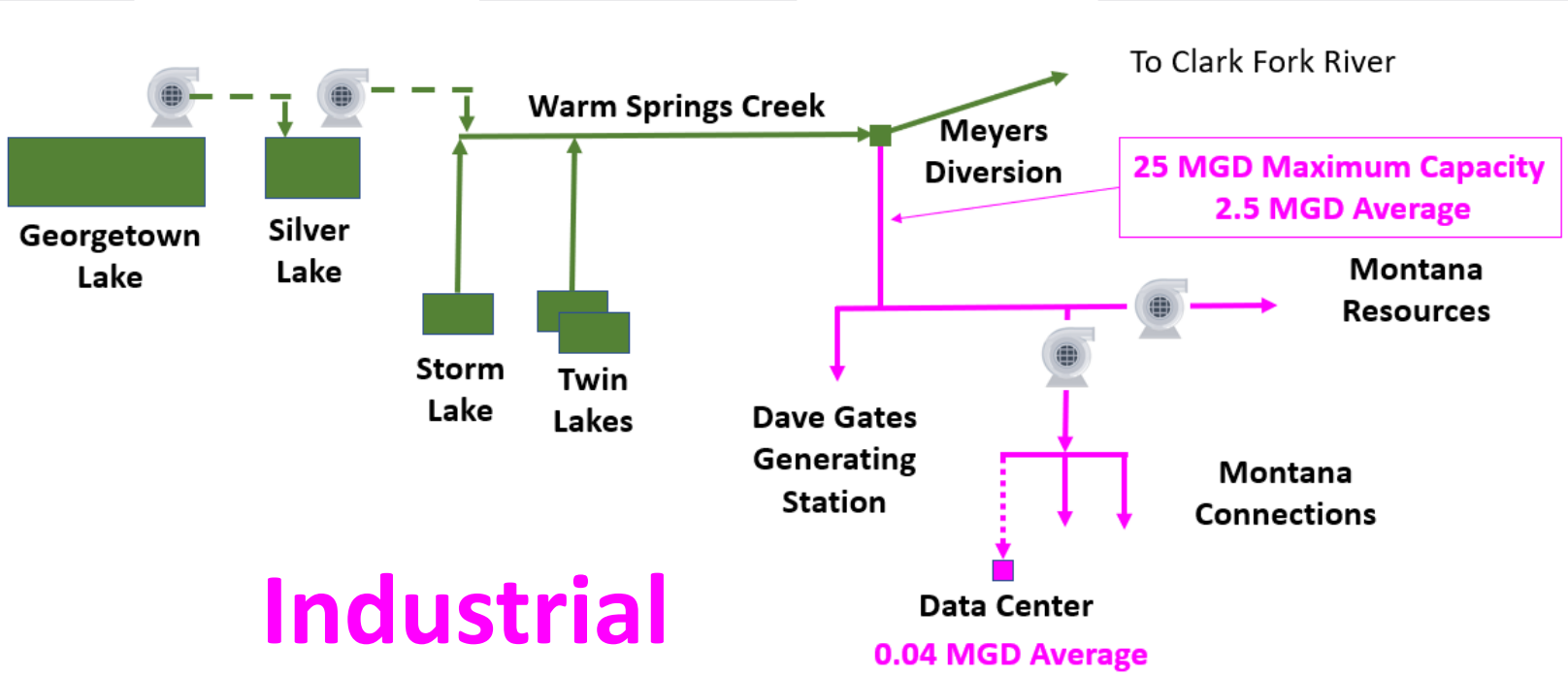

SLWS Pipeline POE
Butte-Silver Bow:
Silver Lake Water System & Potable Water System
Silver Lake Water System is a separate, stand-alone system that is financially supported by payments received from the customers of the system and does not receive any subsidy from the ratepayers of the potable water system or the taxpayers of BSB
Moulton WTP
Basin Creek WTP
Big Hole WTP
Georgetown
Stump Town
Anaconda
Opportunity
Crackerville
Deer Lodge
Morel
Trask
Silver Bow
German Gulch Rd
Rick Jones Way
Sugarloaf Loop
Butte
Buxton
Newcomb
Janney
Homestead
Fishtrap
Johnson
Moose Town
Humbug Spires WSA
Divide
Potable Water System
Potable
Non-Potable
Silver Lake Water System
Non-Potable
Potable Built for Butte Mines and Inhabitants
Silver Lake System Built for Washoe Smelter– Extended to Butte Later

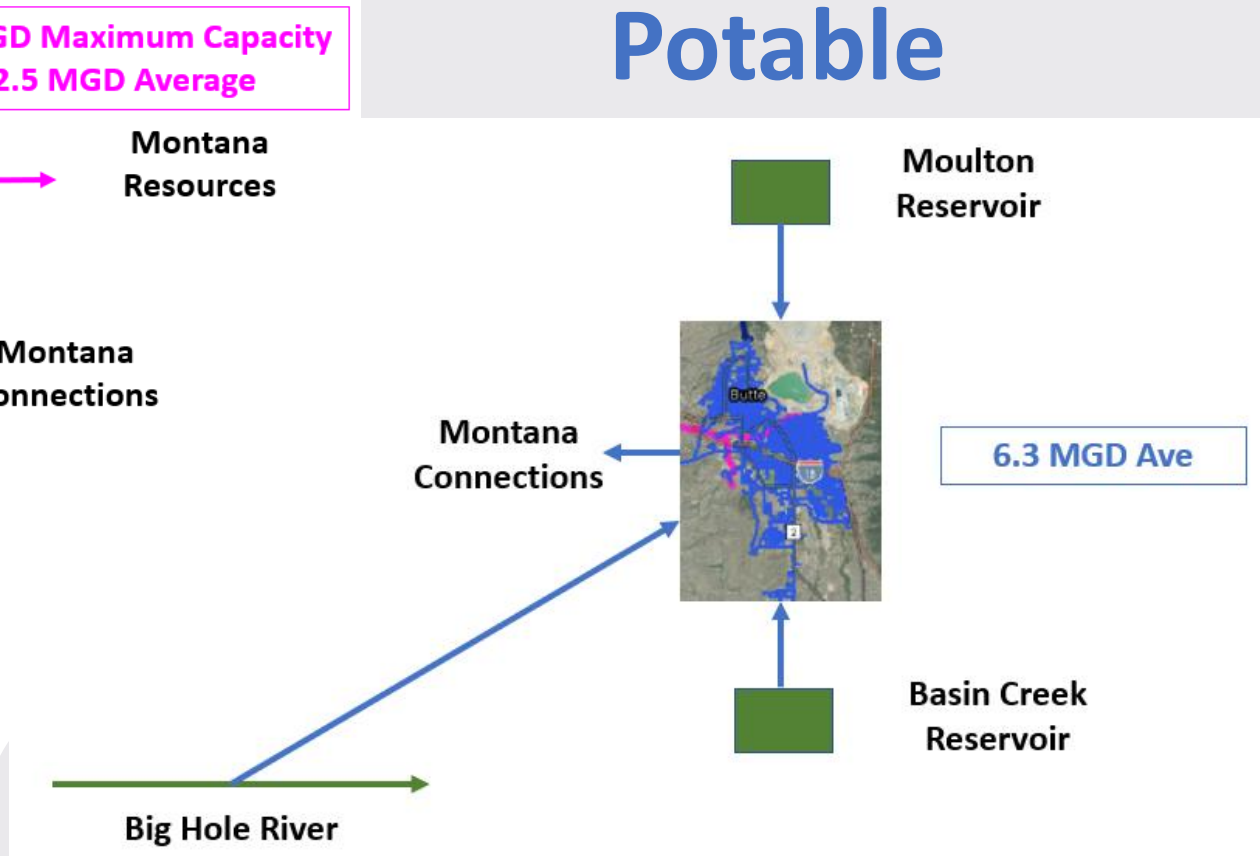
SLWS Industrial Average Daily Water Use (2007-2025)



Butte's Water Systems are Independent

MGD = Million Gallons Per Day



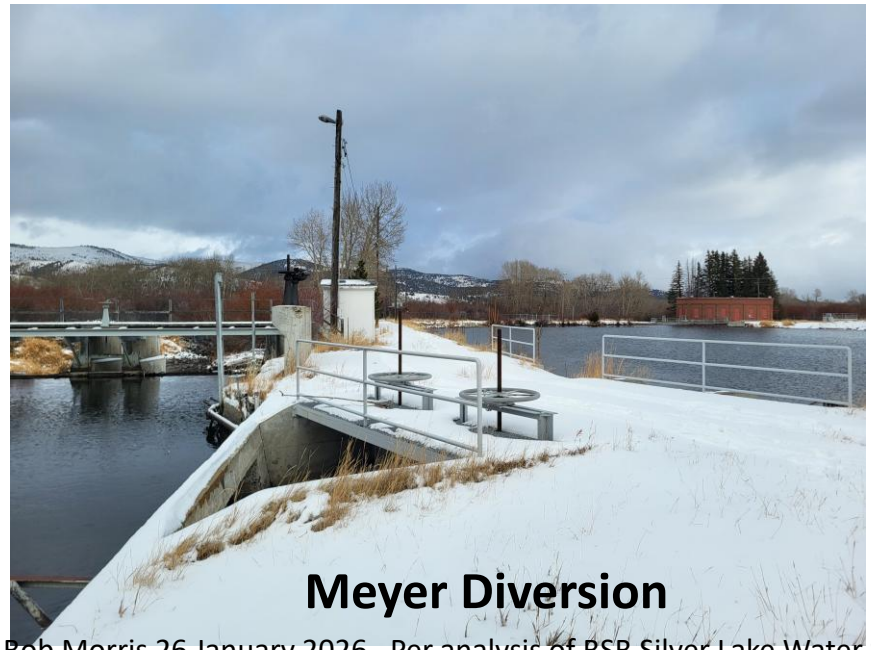


Bob Morris 26 January 2026. Per analysis of BSB Silver Lake Water System and proposed Montana Connections data center per Sabey Data Centers

Typical Water Use Rates

BSB Potable Water System

Average System Use	6.3 million gallons/day
Average Home	300 gallons/day
Garden Hose	14,500 gallons/day
100 Room Hotel	44,000 gallons/day



Meyer Diversion

BSB Industrial Water System

Daily Capacity	25 million gallons/day
Average Use	2.5 million gallons/day
Copper Mtn Sports Complex	17 million gallons/year

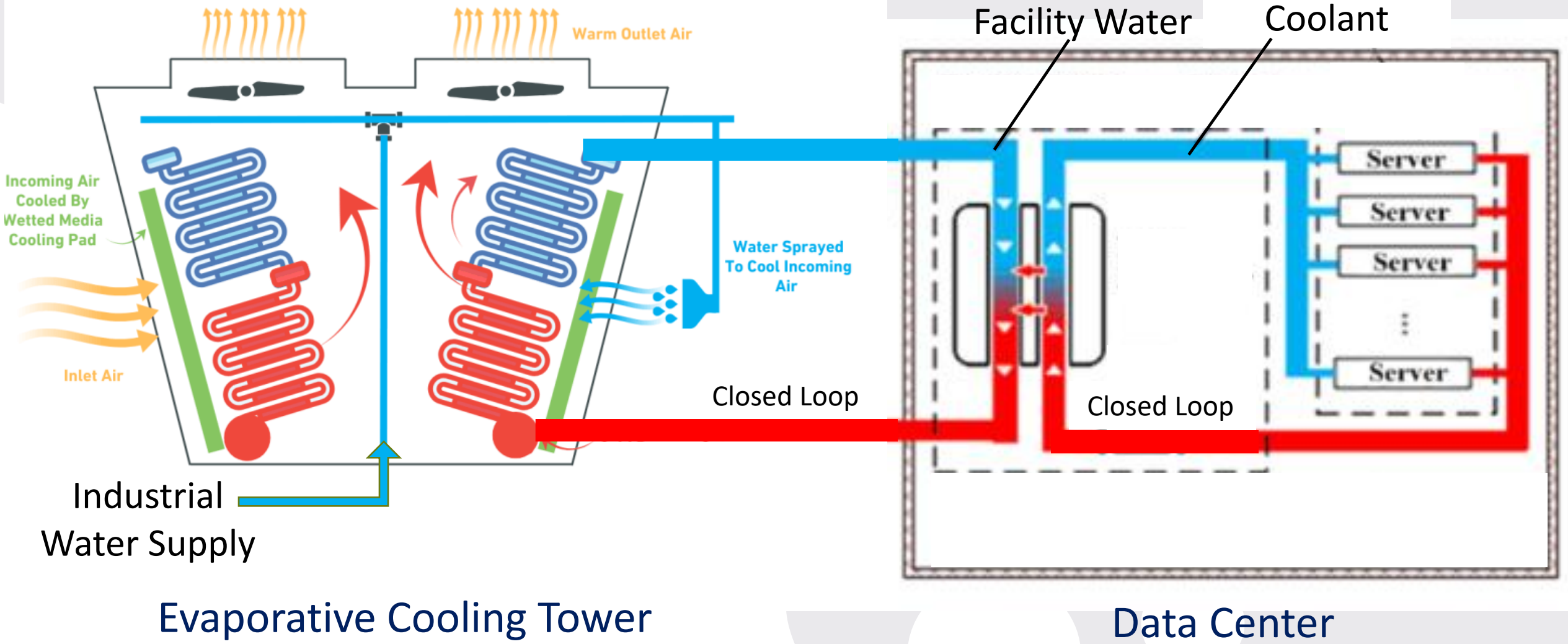
Proposed Data Center

Annual Use	16 million gallons/year
Average Daily Use	44,000 gallons/day

Bob Morris 26 January 2026. Per analysis of BSB Silver Lake Water System and proposed Montana Connections data center per Sabey Data Centers

Data Center Closed Loop Cooling System: Minimal Water Use, No Discharge

Operates Dry Most of the Year, Uses Water Above 80°F



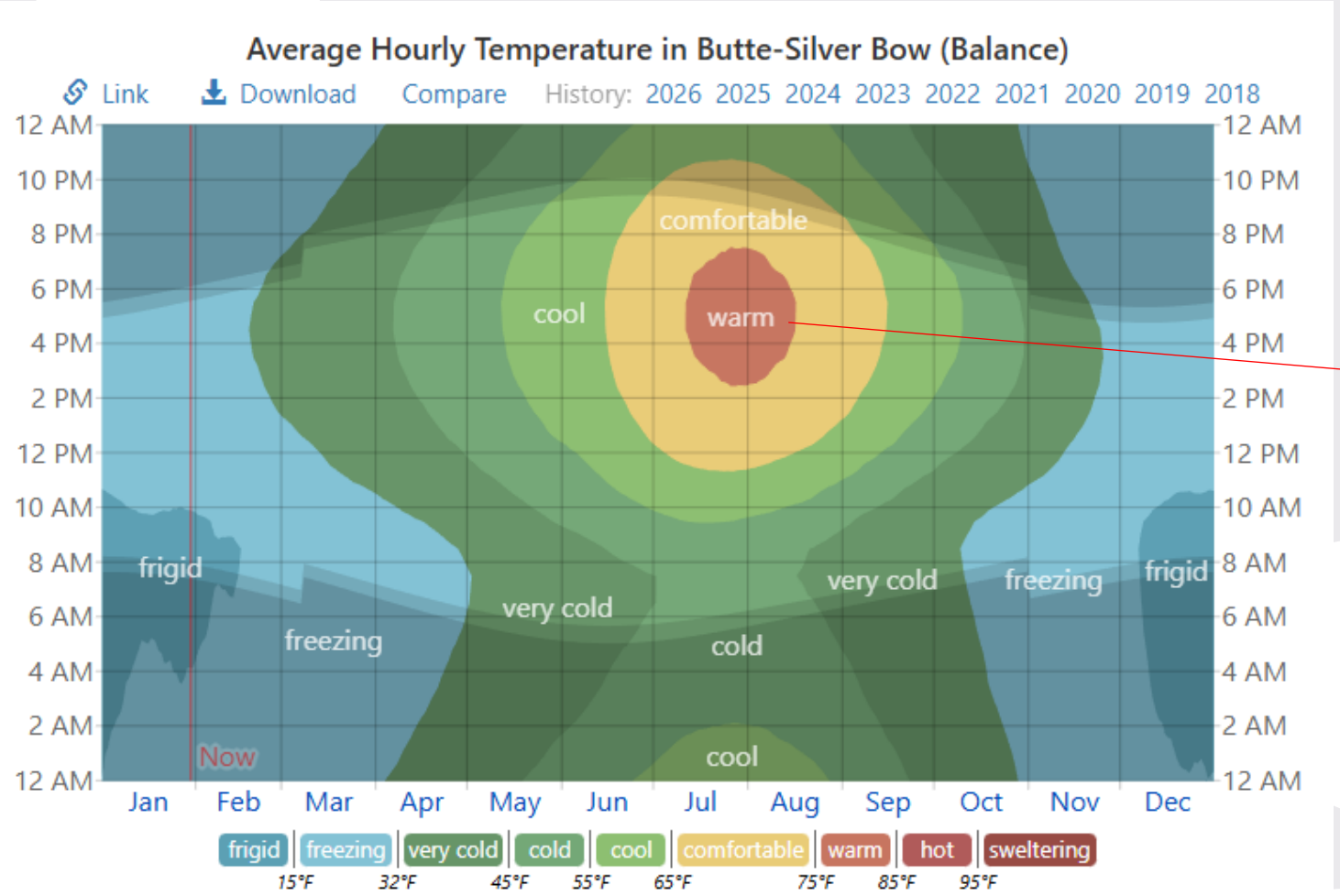
Evaporative Cooling Tower

Data Center

https://www.bds-energy.com/how-do-adiabatic-cooling-systems-work/

https://www.researchgate.net/figure/Water-cooling-design-in-the-data-center-25_fig2_359538981

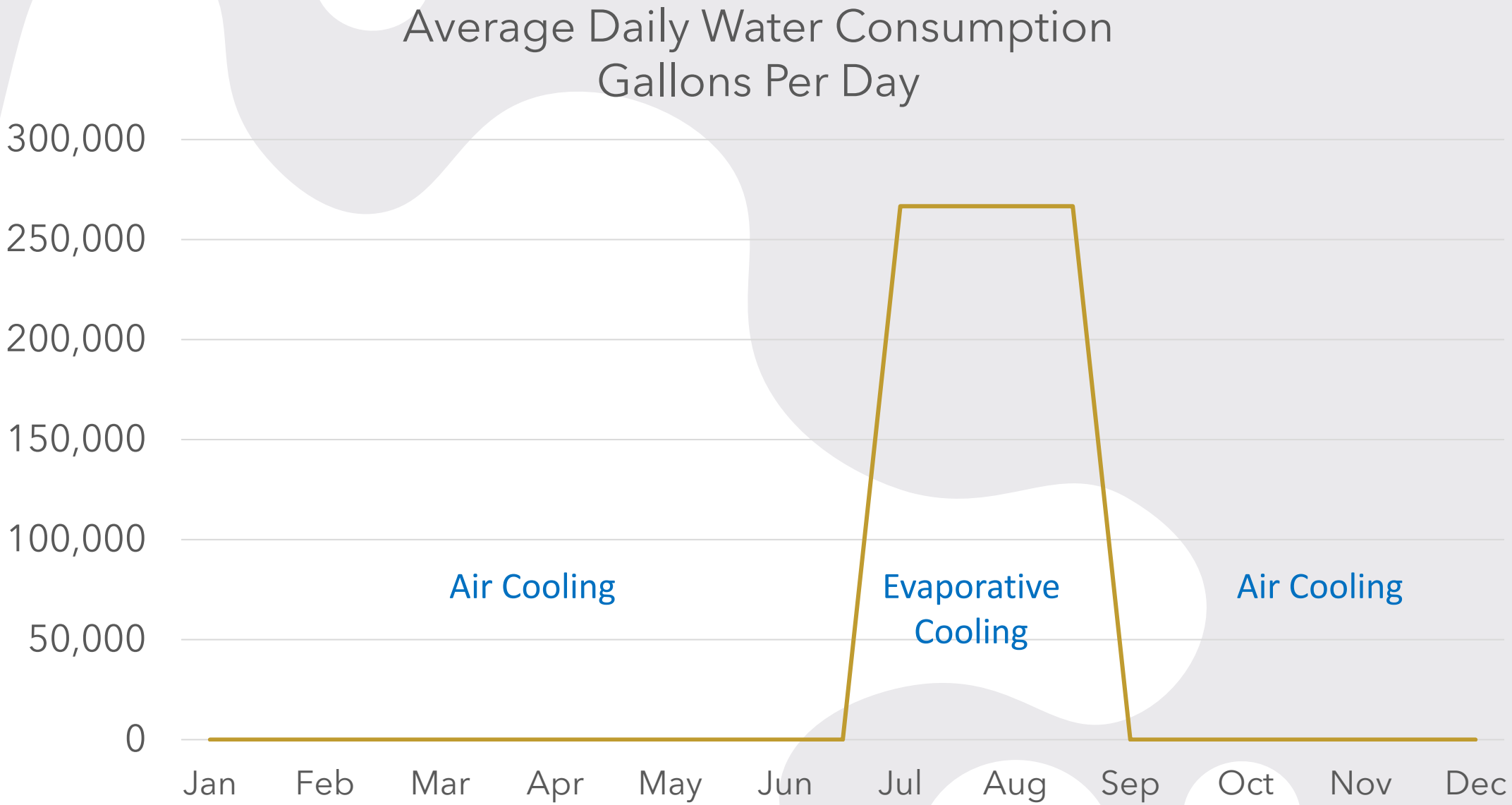
Butte Air Temperature Above 80°F in July and August



Evaporative cooling water required four hours per day for two months in the summer

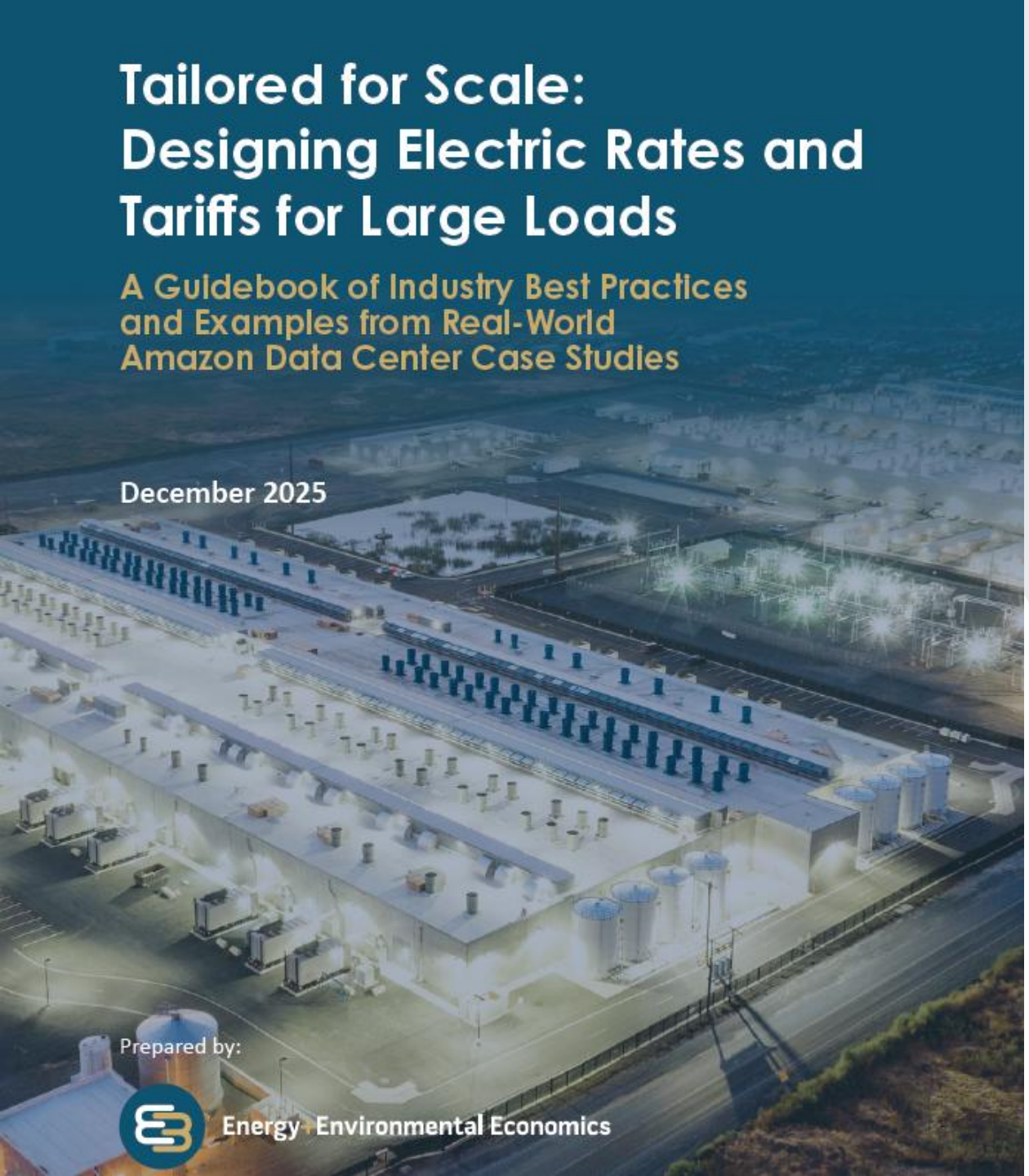
[Butte-Silver Bow (Balance) Climate, Weather By Month, Average Temperature (Montana, United States) - Weather Spark]

Cooling Water Use for 200MW Butte Data Center



The Montana Connections Data Center Cooling
Water Use Summary

Cooling System Design	Closed loop. Air cooled below 80°F. Evaporative cooling above 80°F
Data Center Cooling System Use	16 million gallons/year 44,000 gallons/day annual average 270,000 gallons/day July & August average
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 **Annual Daily Average** **Average July & August**	 2.54 million gallons per day 2.8 million gallons per day
Discharge	None. Condensation captured and recycled 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



National Data Centers: Grid Impacts and Ratepayer Benefits

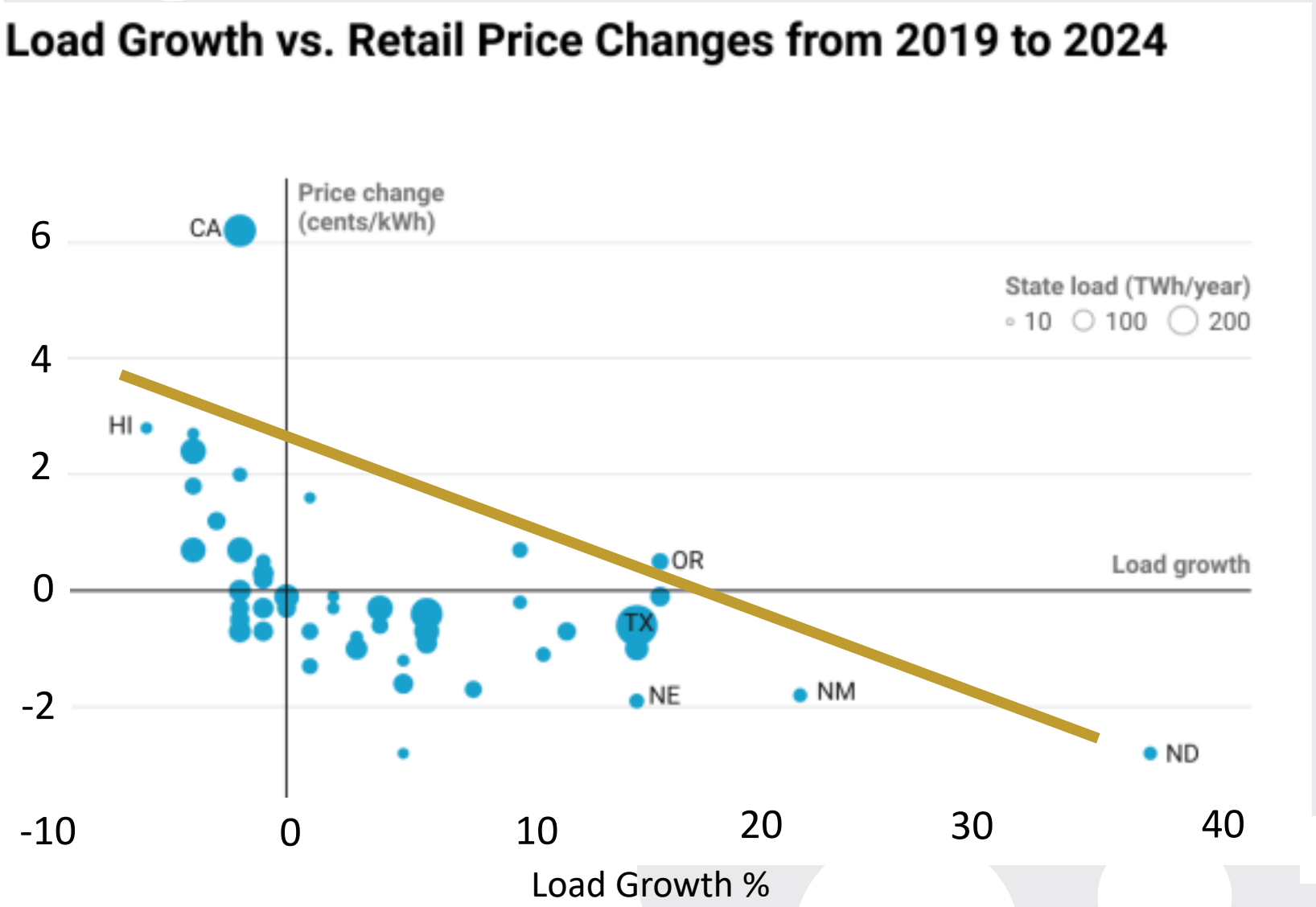
Driving Load Growth: Data centers are a major source of new U.S. electricity demand and grid investment after decades of flat growth.

No Cost Shift: They pay full cost to serve and can lower rates through surplus revenue.

Investment & Jobs: Large loads accelerate grid upgrades and economic development.

Clean Energy & Innovation: Support renewables and emerging technologies; rate design and regulation is evolving.

Load Growth Reduces Retail Electricity Prices

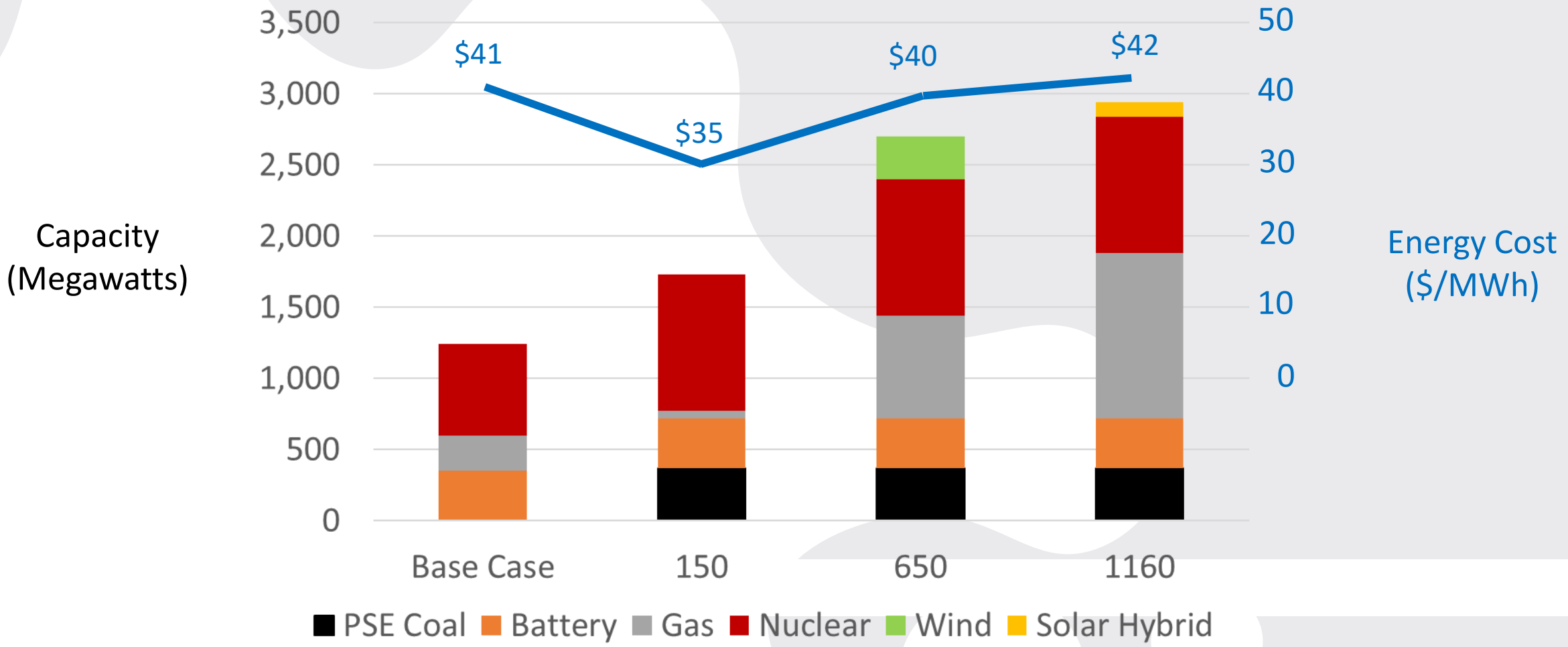


Price Change Cents/kWh

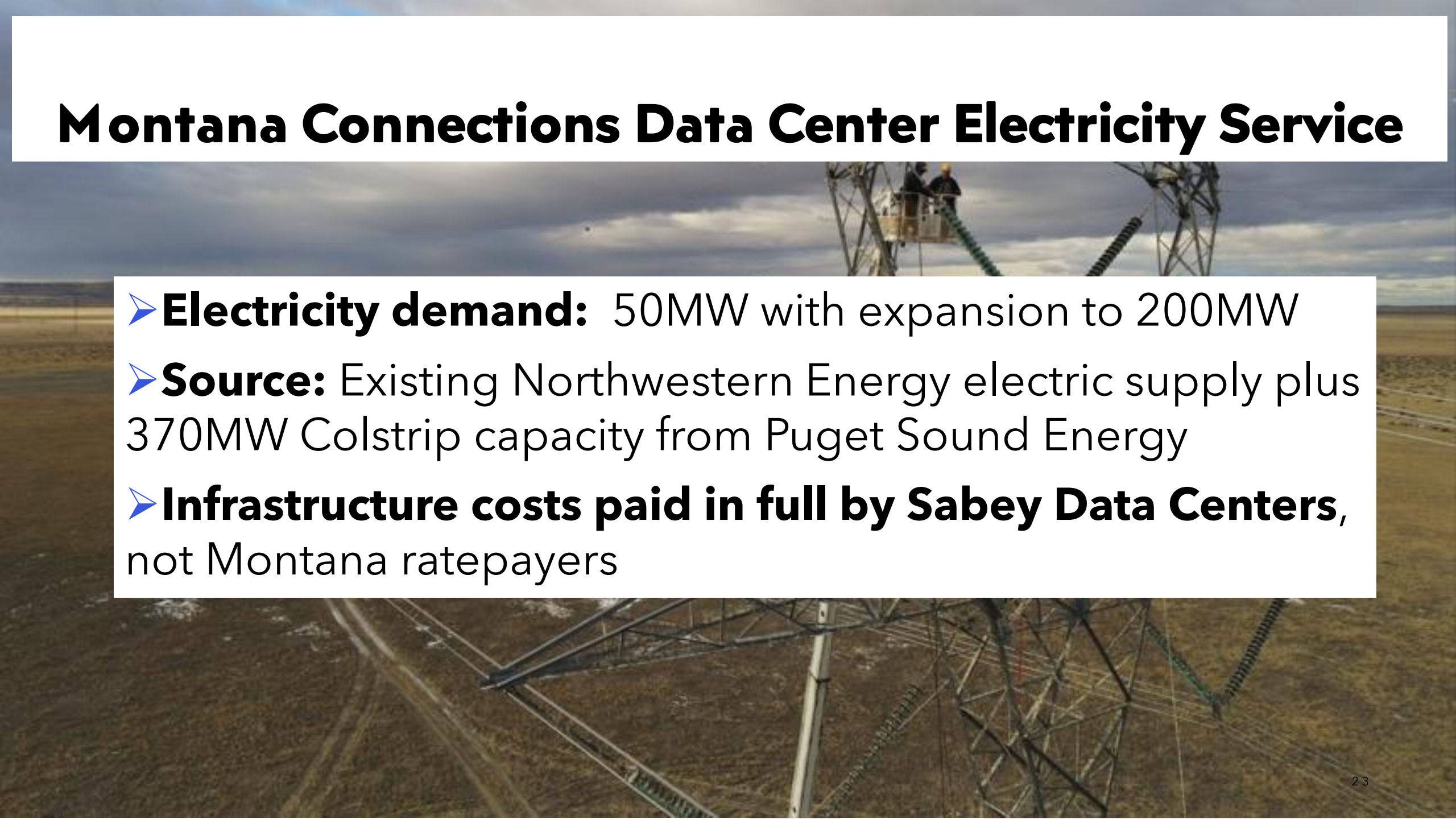
Factors Influencing Recent Trends in Retail Electricity Prices in the United States: Lawrence Berkeley National Laboratory & The Brattle Group, October 2025

Northwestern Energy Costs Remain Stable Across Data Center Growth Scenarios

Capacity Additions (MW) for Base Case and Data Center Loads of 150, 650, 1160 MW



Montana Connections Data Center Electricity Service



- **Electricity demand:** 50MW with expansion to 200MW
- **Source:** Existing Northwestern Energy electric supply plus 370MW Colstrip capacity from Puget Sound Energy
- **Infrastructure costs paid in full by Sabey Data Centers**, not Montana ratepayers

Structured Safeguards for Data Center Electric Service

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.

The Large Load Tariff will provide a framework for managing costs and obligations when new customers with significant energy load connect to NorthWestern Energy's Montana energy system. The tariff will ensure growth is handled responsibly, costs are allocated fairly, and protections are in place for all customers.

A new Large Load Tariff and the Montana Public Service Commission's review of electric service contracts for new large-load customers will provide regulatory oversight, predictability for new large load customers and protect existing customers from unwarranted financial risk.

In some cases, new large-load customers may need to provide their own energy generation resources.

NorthWestern Energy will not compromise service reliability for existing customers. This approach ensures that growth of Montana's energy system is managed responsibly and fairly.

- **Rates are protected by law:** State law requires PSC to ensure new large loads to not increase rates for existing customers.
- **Large Load Tariff:** Northwestern Energy will file a tariff to define rates and comply with statute.
- **Open PSC Process**: Formal party participation and public input through hearings.

Jobs

Sabey's Quincy, Washington Campus (a **123MW** facility) employs 200 full-time employees Employees are composed of Sabey employees and Tenant employees.

Sabey's Columbia Site is a 70MW facility and employs 140 full-time workers. Employees are composed of Sabey employees **and Tenant** employees.

$25-$30/Hour Starting Wages

$100,000+ Advanced Professional Wages

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

The **first phase of the proposed** campus for Montana Connections is initially a 50 MW facility with plans for expansion.

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

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

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

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.

E-Waste:

- Additional details are required from Sabey concerning the strategy for e-waste disposal. It is understood that the industry norm involves contracting this service through a third party.
- BSB Landfill does accept E-waste, unless it is a monitor or TV.

Diesel Generators:

- Further information is needed from Sabey about the plan for testing, sizing, and placement of the diesel backup generator system. Industry standards typically mandate monthly generator tests lasting 30 minutes. These generators would be subject to permits and regulations regarding noise and emissions.

Community Impacts

Noise

- Will need to adhere to zoning code.
- Centers in Quincy are not noisy outside.
- Enclosed building.
- Backup generators will need to be tested on a schedule and will be noisy when running however, that noise will cannot exceed the code.

Lighting

- Will need to adhere to zoning code.
- Staff can work with company to ensure lighting is directed downward and to install light shields (similar to what has worked with other businesses in the park).

Housing

- Construction employment could put strain on rental markets if outside labor is brought in.
- Local union labor is planned for project which could help soften strain.
- Butte-Silver Bow's Housing plan was adopted in 2024 and identifies the number of units that are needed and a plan to obtain them.
- Housing Coordinator hired in 2024 to implement the plan

Traffic

- Traffic in Montana Connections could see an increase during construction.
- Roads will need to be maintained and funding for this should be able to be captured with increment collected in the district.

*Source: JobsEQ®

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/