

PORT OF THE DALLES COMMISSION
Work Session Minutes
July 9, 2018
Port of The Dalles Administration Office

The Work Session of the Port Commissioners was called to order by President Greg Weast at 12:05PMpm.

ROLL CALL

Commissioners: Greg Weast, Mike Courtney, David Griffith, Robert Wallace

Staff: Andrea Klaas. (Kathy Ursprung and Bayoan Ware joined the meeting at 12:40pm)

Guest: Ted Volkov

Ted Volkov, of Amity Labs, gave a presentation to the Port Commission on blockchain and crypto-currency. He shared with the Commissioners other potential uses for the blockchain technology and where he sees the future of blockchain heading. Right now the blockchain industry is primarily used by Bitcoin, but due to the secure nature of the technology there are many other potential applications for its use such as bank records, health records, tracking property transactions, etc.

Miners are very dense computer processors that produce a fair amount of heat that needs to be dissipated, but not enough heat to use for power generation. Each miner costs about \$650.00, and typical mines hold hundreds of these computers. Power is the number one cost for this business, and globally, the US is not competitive with China's 1.2 ¢/kWh. The interest in Wasco County is based in part on the power rates (our rates on just of the positive side of the profit margin), but we have the added advantage of naturally cool and breezy weather which reduces the cooling required for these facilities and makes our region interesting to miners.

Right now there are three basic business models for blockchain/crypto currency:

- 1) the miner owns the space, the miners and the coins produced;
- 2) a business acts as a host for miners and just leases rack space to a miner for a Monty fee. They do not own the miners nor the coins produced;
- 3) Investors buy into a cloud computing scenario where they rent space/time on the miners. The business rents the time on the miners, the investor gets the coins.

Right now the cryptocurrency industry is volatile and facing diminishing returns, but with some long range planning The Dalles may be able to capitalize on this technology. Some benefits of mining in The Dalles: low cost, reliable power; suitable climate; good infrastructure; safe and stable (government and economy) - so what should The Dalles be thinking about and how could a comprehensive plan be developed? Mining is the hub of possible projects. Some spokes could include: equipment manufacturing, education and certification, business spin-offs, other industry blockchain applications (insurance, finance, healthcare) - position The Dalles to be a leader in the industry.

Possible red flags: volatility of the industry/permanence (easy to pack up and move), limited community resources (land, power), inexperienced developers/miners, limited jobs, money and purchasing not staying in the community.

Commissioners followed up with some questions and Ted offered to be a resource for the Port at any time.

The Work Session adjourned at 12:35PM.

PORT OF THE DALLES:



Greg Weast, President
Board of Commissioners

IN THE COURTESY V/P

DATE APPROVED:

Prepared by: A.Klaas/K.Norton

ATTEST:



Robert Wallace, Secretary
Board of Commissioners