

Washington Horse Racing Commission  
Meeting Minutes  
February 12, 2016

Present were: Jeff Colliton, Chairman; Robert Lopez, Commissioner; Dr. Everett Macomber, DVM, Commissioner was unable to attend; Matt Kernutt, Assistant Attorney General present for Isaac Williamson who was unable to attend; Doug Moore, Executive Secretary; Patty Brown, Confidential Secretary.

Item #1. Approval of the meeting minutes of January 8, 2016.

Commissioner Lopez moved to approve the minutes as presented. Chairman Colliton seconded the motion. Unanimously approved.

Item #2. Commissioner's reports.

Chairman Colliton reported Commissioner Macomber was absent and was on a cruise and would be back for the next meeting. Commissioner Lopez requested approval to attend the February 27<sup>th</sup> Breeders Banquet and it was approved.

Item #3. Industry Reports.

- a. Emerald Downs. Phil Ziegler, President, Emerald Downs, said they have 480 horses on the grounds, every stall is accounted for and that is a great sign. He said preparations are being made for the upcoming meet. The Quarter Chute cafe is open for business and the new track man is on the job. He reported everything to be going well.

Chairman Colliton mentioned the he stayed at the Auburn Inn hotel and they were asking about information on the 2016 meet. Mr. Ziegler said they would take care of that.

Mr. Ziegler had a copy of the new look of the new Daily Racing Form. The Form is now being printed in Vancouver, but the good news is that it will be the same distribution network and we will receive them on Thursday night as usual. The new format is very convenient and bettors like that; the price went from \$6 to \$6.50 each; but they've had a very positive reaction to them so far.

- b. WA HBPA. MaryAnn O'Connell, Executive Director, said she'd been to the National HBPA meeting in Tampa, Florida. She said it was a very good meeting, the discussions on the RMTC testing, regarding USADA testing, which is very costly and the slow results process, she felt that the horsemen's organizations needed to get more involved and doing their own research on testing samples. There were discussions on contaminants from humans. She said that Meth and Tramadol are a huge issue; she said the HBPA is working to get a meth threshold. She said that Tramadol is a highly prescribed human treatment and is another problem, because the horse system does not utilize this drug but it continues to show up in results from human contamination. She is encouraging the WHRC to establish thresholds on both substances. She said the USADA bill is pretty much stalled and it has been challenged as to constitutionality.

Chairman Colliton said he has a list for the town hall meetings being conducted across the nation. The first is to be in California on the 22nd of February, these town halls are not preaching but it is more informational; there will be one in March, Oklahoma; in April in Texas and New Mexico; and one in Seattle on July 16, at Emerald Downs for all stakeholders. Ms. O'Connell said this will be very helpful. It is a great forum and a great idea. Chairman Colliton said Kentucky was pushing USADA.

- c. WTOBA. Dana Halverson moved back into the Presidency. He reported that the annual banquet is set for February 27<sup>th</sup> at 5PM and hoped everyone could attend.
- d. Sun Downs Report. Shorty Martin, Racing Secretary, said the track opened February 1<sup>st</sup> for training; the new contract with county is in place for the next three years; and they have been approved for three challenge races for the quarter horses. He reported that several trainers have moved in already.

#### Item #4. WHRC officials, Emerald Downs.

Mr. Ziegler presented the 2016 packet of Officials and the changes being made for the 2016 season. Bob Fraser, VP Operations said some changes will be made, the Espresso stand is moving near the winners circle court; the Sweet shop is doubling the refreshments being offered. The new point of sale system (POS) is being installed, which is state of the art and will help in service efficiency. The OTBs are being worked on and Mr. Fraser said he'd been down to the Little Creek Casino and is very optimistic about a possible OTB being placed there. He had given them a packet with a sales brochure to get a little bit of our information out there. There is another big screen, in addition to the video board which gives bettors another screen to view. It will be up for the start of the meet. He said they are installing new tote equipment, and it is a tremendous upgrade to past; they are completing the TV upgrades throughout the facility. Mr.Ziegler said the twentieth anniversary is the focus for the whole season. He said they've been searching for the first horse to race and win at Emerald Downs and Sophia McKee said they've found her, her name is "Strawberry Morn." She went to Europe and is at a farm in the United Kingdom and is retired. She is a baby sitter for the new foals. She is 23-24 years old and in great health, a real sweetheart.

Mr. Ziegler noted some wagering format changes. He said they are trying a new twenty cent Pick 7 on the last 7 races and a late fifty cent Pick 5 which could possibly create a carryover. Mr. Moore spoke with Isaac Williamson, Assistant Attorney General and his opinion was that the reduced takeout would be borne by the association, but the amounts that come to the WHRC would remain the same. Mr. Ziegler said the .20 cent ticket had been very positive and would like to give it a try along with the late .50 cent Pick 5.

Chairman Colliton asked in regard to the meeting on July 16, the ARCI was having some difficulty setting up a hotel to host them. Mr. Moore said Steve May of the ARCI had three hotels in mind in Seattle that might work and asked Mr. Moore to take a look at those and a decision would then be made. The town hall meeting being held at Emerald Downs would be the best place to have it.

Mr. Moore said the WHRC officials are listed for approval as well. No changes. The same employees are returning as last year.

Commissioner Lopez moved to approve the WHRC officials and Emerald Downs 2016 submission for officials and meet information. Chairman Colliton seconded the motion. Unanimously approved.

Item #5. Sun Downs dates request and officials.

Mr. Moore presented the Sun Downs 2016 meet request. He said there is a new board of directors with Kent Hoover, as President. They have requested six days of racing beginning on April 23 and ending on May 8<sup>th</sup>, Kentucky Derby weekend. Mr. Moore reviewed the WHRC officials and the association officials and said there were no changes from prior year.

Commissioner Lopez moved to approve the dates request and WHRC officials as requested. Chairman Colliton seconded the motion. Unanimously approved.

Item #6. Class C Purse Fund – additional funding.

Mr. Moore said he had received letter from Shorty Martin, Racing Secretary, requesting additional assistance with purse fund money and jockey insurance money. Mr. Moore said with the Commission's Operating Account still in good financial shape, he recommended the Commission provide \$25,000 to assist with the cost of jockey insurance and add an additional \$5,433.30 that would bring purse fund up to a total of \$80,000 at \$14,000 per day. Commissioner Lopez asked Mr. Moore what the total would be. Mr. Moore said \$30,433.30. Chairman Colliton asked Mr. Martin what the budget was for advertising and Mr. Martin said they had hired Jeff Marrow former Tricity Herald sports reported to work on their advertising for their race meet. Commissioner Lopez asked Mr. Moore if our fund balance could stand providing Sun Downs a little more money. Mr. Moore said that he would take a look at this and there was a possibility to give a little more that could be approved at the March meeting by taking the purses to the maximum of \$15,800 per day. Mr. Moore said he would make a request for more detail on what is needed. Commissioner Lopez moved to approve the \$25,000 to be utilized for jockey insurance and \$5,433.30 to support the Sun Downs' purses. Chairman Colliton seconded the motion. Unanimously approved.

Item #7. Distribution of Donohue fund.

For information only, Mr. Moore reported the 2016 distribution on interest earned from 2015 by the WHRC operating account is \$1,127.42. This money will be sent to TriCity Horse Racing Association to be used to upgrade the equine quartering areas.

Item #8. Approval of the annual year-end report.

Mr. Moore said Commissioner Lopez had caught some typos that were made on some of the reports regarding last year vs. this year totals those have been corrected. Commissioner Lopez moved to approve the 2015 WHRC Annual Report. Chairman Colliton seconded the motion. Unanimously approved.

Commissioner Lopez asked if the letter was available for signature, it was not, and suggested the letter to the Governor be signed by the Chairman only.

Item #9. Adoption hearings:

- a. WAC 260-12-010 Definitions. Mr. Moore said changes included a definition added for “vendor.” Apprentice Jockey to reflect correct weight allowance given; and the commission was still listed as a five member commission that was reduced back to a three member commission.

Commissioner Lopez moved to approve the amendments as presented. Chairman Colliton seconded the motion. Unanimously approved.

- b. WAC 260-20-165 Equine ambulance. A typo was discovered where the language should have read where official veterinarian was inserted where equine ambulance should have been.

Commissioner Lopez moved to approve the amendments as presented. Chairman Colliton seconded the motion. Unanimously approved.

- c. WAC 260-28-100 Change of trainers. Mr. Moore said a restriction would be in place where a trainer that transfers a horse from their care to another may not have the horse transferred back to their care for a minimum of thirty days. Current practice has been that a trainer may only enter two horses in an overnight race and a horse then be transferred on entry day to another trainer then immediately transferred back to the original trainer. The hope is to deter this practice. Ms. O’Connell said the HBPA approves of this amendment.

Commissioner Lopez moved to approve the amendment as presented. Chairman Colliton seconded the motion. Unanimously approved.

- d. WAC 260-36 Licenses. Mr. Moore said this is a new section, addressing who is considered a vendor. Pat LePley, President HBPA voiced his concern about requiring a WA business license, regarding horse transportation, they are licensed by a number of agencies but do not necessarily have a Washington State Business license. Chairman Colliton said the operative word in this case was “may require” a business license. Commissioner Lopez moved to adopt the amendments as presented. Chairman Colliton seconded the motion. Unanimously approved.

- e. WAC 260-70-650 Furosemide. Mr. Moore said in 2007 the WHRC instituted the specific gravity testing for furosemide, in compliance with ARCI model rules, the timeframe for administration was removed. Since that time, the model rules have reinserted the four hour administration time requirement and this amendment adds it to the current WAC. Four hours has been deemed the optimum time for furosemide to have the intended benefit for the horse and that it is in the best interest of the horse and the wagering public. Three hours was discussed with the HBPA, but staff is recommending four hours administration. Commissioner Lopez asked if the model rule still contained specific gravity language. Mr. Moore said they have the same specific gravity that WHRC does but they have reinstated the four hour rule. Mr. Moore had consulted with Commissioner Macomber and provided a statement on his opinion as well. Chairman Colliton said he looks to Commissioner Macomber for his expertise on this. Chairman Colliton read the comments of Commissioner Macomber for the record (copy attached). Commissioner Macomber supports this change. Ms. O’Connell said some emails were exchanged on this, but didn’t realize Mr. Moore would be going forward at this time. She said that back in 80s the proper testing equipment and dilution detection is where the four hour rule came from; with the new testing standards, effectiveness of the administration time would be nearer to three hours.

Dr. Tricia Arnold, DVM, WHRC Equine Medical Director, commented on the wide range of times that the association veterinarians are in the stall, she has a problem with vets going into stalls with no consistent time frames.

Dr. Gary Bergsma, as practicing vet's viewpoint, he's worked under both rules, he didn't want to layer regulations on a rule that currently works very well. This allows a number of horses being able to be treated on time. He said it is very likely the vet would be late with the Lasix shot if the requirement time changes. He personally has an issue with this time frame. The current rule is a very good rule as it stands. Leave it alone.

Dr. Arnold said the vets have gotten very lax.

Ms. O'Connell said having specific gravity makes all the difference.

Mr. Moore requested to table this rule until a time when Commissioner Macomber could be present to answer some of the questions being brought up today. Chairman Colliton tabled this rule, to be heard at the April 8 meeting agenda to address concerns on the four hour rule.

Item #10. Executive Secretary's report.

a. Wagering Recap (January 2016).

Mr. Moore recapped the January wagering, date range and race year comparison wagering.

b. Monthly Management report.

Mr. Moore recapped the revenues and expenditures. He reported the fund balance at \$907,574. Mr. Moore said the revenues and expenses are right in-line with the forecast on our budget.

Commissioner Lopez asked if there was a concern on going over \$1 million in the fund balance, what would happen. Mr. Moore said our financial manager recommended spending more. Commissioner Lopez suggested we explore ways to reinvest any excess funds back into the industry.

Ms. O'Connell said she knew of a new nonprofit board doing threshold testing, and they need some funding. She said she would forward information to WHRC.

Mr. Moore updated the legislation now progress through the senate and house. The bill regarding making the WHRC non-appropriated is now on the way to the house which it is currently still in rules. A staffer with the senate stated the WHRC could not be non-appropriated because we collect a tax. The senate added a section to the bill that a secondary account of \$250,000, would be created and could not be used unless there is a government shutdown. Mr. Moore felt certain that one of the two versions would pass.

Chairman Colliton appreciated the quick reaction and response regarding the equine anemia.

Ms. O'Connell said the health certificate checking program is going well. There were a few glitches at first, but they are right on top of these horses now.

Chairman Colliton said the ex-officio members that Senator Steve Hobbs has placed his name in the candidacy for Lt. Governor.

The next meeting of the Commission would be March 11, 2016, 9:30 AM at the Auburn City Council Chambers.

Meeting adjourned.  
11:12 AM

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Doug Moore, Executive Secretary