

Washington Horse Racing Commission
Meeting Minutes
January 14, 2010

The meeting was convened at 9:30 A.M. at the Auburn City Council Chambers in Auburn, Washington. Present were: Paul George, Chairman; Jeff Colliton, Commissioner; Dr. Bud Hallowell, DVM, Commissioner; Hartly Kruger, Commissioner; Kate Reynolds, Assistant Attorney General; Robert J. Lopez, Executive Secretary; Patty Sorby, Confidential Secretary.

Item #1. Approval of the meeting minutes of November 12, 2009.

Commissioner Kruger moved to approve the minutes as submitted. Commissioner Colliton seconded the motion. Unanimously approved.

Item #2. Commissioner's report.

Chairman George reported on his, Commissioner Colliton and Deputy Secretary Doug Moore's attendance at the Race Track Industry Program Symposium in Tucson, Arizona December 7-10, 2009.

Commissioner Colliton also reported on his attendance and noted the lack of other commission's representation at the symposium. Commissioner Colliton commented on a conversation he had with Ed Martin, President of Association of Racing Commissioners International (ARCI) and becoming more engaged at the national level, the question of marketing horse racing, the interstate compact, drug thresholds, performance vs. horse health vs. safety.

Doug Moore, Deputy Secretary also gave a brief report on his attendance of the ARCI model rules meeting. He felt it was a good idea to take each model rule and compare it with Washington rules before adopting any. Some rules may conflict with Washington rules and would be bad for horse racing. Mr. Moore also attended the Board of directors meeting.

Commissioner Kruger said he had attended the memorial service for Dick Monahan in Walla Walla as did Commissioner Colliton and Chairman George.

Commissioner Hallowell had attended the Emerald Downs Holiday celebration. He agreed with Mr. Moore on holding off on adopting rules to wait for science or information is gathered on whether it would be good for the industry.

Item #3. Industry reports:

a. Emerald Downs.

Mr. Ron Crockett, President, Northwest Racing Associates LP gave the industry report for Emerald Downs. Mr. Crockett reported simulcast revenues continue to be down from last year and horse stall applications are also down in comparison to this time last year.

b. HBPA.

Mr. Ron Maus, President, HBPA reported that he had attended the national HBPA meeting and the symposium in Tucson.

c. WTBOA.

Mr. Mike Fuerborn, board member, reported for Dana Halvorson, WTBOA President who was unavailable. Mr. Fuerborn said the name has changed for the association and now includes the owners; i.e., Washington Thoroughbred Breeders and Owners Association (WTBOA). He said the annual awards banquet is to be held on February 27th and encouraged all to attend.

Mr. Fuerborn said the Washington Thoroughbred magazine is not completely out of production, they hope that with rearranging the budget to be able to print it possibly on a quarterly basis. A weekly newsletter will be available on their webpage and an email list established for distribution.

Item #4. Emerald Downs 2010 Race Days.

Mr. Crockett requested a ninety day meet, opening on April 9 concluding on September 26, 2010.

Commissioner Kruger moved to approve the 90 days as requested. Commissioner Colliton seconded the motion. Unanimously approved.

Item #5. Request of Emerald Downs to offer Future Wagering on 2010 Kentucky Derby.

Bob Fraser, VP-Operations, Emerald Downs sent a letter requesting approval for future wagering on the Kentucky Derby and Oaks on February 11-14 (Pool 1); March 11-14 (Pool 2); and April 1-4 (Pool 3).

Commissioner Kruger moved to approve the request for future wagering on the Kentucky Derby and Oaks. Commissioner Colliton seconded the motion. Unanimously approved.

BREAK. (11:10 A.M.) RECONVENED. (11:15 A.M.)

Item #6. Rulemaking for February & March 2010 – Briefing/Overview.

Doug Moore, Deputy Secretary briefed the Commission on rules that will be brought before them in February and March for consideration for approval.

Item #7. Executive Secretary's report.

a. Executive Ethics Board – Wagering on Simulcast Races – Update.

Mr. Lopez said he appeared before the Executive Ethics Board (EEB) on January 8 with Ms. Kate Reynolds, AAG and Ms. Marta DeLeon, AAG to give testimony on the agency's request if wagering on simulcast races by commissioners and employees violated the Ethics in Public Service Laws. After a discussion the EEB decided it would be a violation.

b. Governor's Supplemental Budget.

Mr. Lopez said there were no changes from the previously submitted Governor's budget. The spending authority was reduced by \$227,000. Our spending authority was reduced from \$5.2 million to reflect agency actual revenues.

c. Government reform.

Mr. Lopez included a copy of a press release from the Governor's Office on government reform that listed the boards and commissions that were either reorganized or eliminated. The WHRC is not on the list.

d. Agency Request Legislation.

Mr. Lopez updated the commissioners on the progress of the agency request legislation that will change the distribution of purse money that assists the Class C race meets to a per day distribution of \$15,800 per live race day from a distribution divided by day totaling \$300,000.

e. Accountant's recap for November and December 2009.

Mr. Lopez briefed the commissioners on the wagering by Emerald Downs for November and December 2009 by comparison by month and year.

f. Monthly Financial Statement (November & December 2009).

Mr. Lopez updated the commissioners on the revenues and expenditures for November and December 2009.

Item #8. Any other business that may be properly brought before the Commission.

Mr. Lopez said a letter had been received from the mayor of Waitsburg, offering their facility for stalls for horses and the track for training purposes at reasonable rates.

Commissioner George said he had also called and talked with Mayor Little Wolf, City of Waitsburg about their facility and thanked her for the information and offer of assistance.

Bryson Cooper spoke to the commissioners about new safety vest and helmets that were mandated to be worn in California. He said that he would keep the commission informed.

Meeting adjourned. (11:45 A.M.)

Robert J. Lopez, Executive Secretary