

Washington Horse Racing Commission
Meeting Minutes
January 10, 2014

The meeting convened at 9:55 A.M. Due to a missed booking of the Auburn City Council Chambers, the meeting was moved to Emerald Downs, 3rd floor, Auburn, Washington. Present were: Jeff Colliton, Chairman; Paul George, Commissioner; Dr. Everett Macomber, DVM, Commissioner; Representative Eileen Cody, Legislative Ex-Officio member; Representative Joe Schmick, Legislative Ex-Officio member; Sharon James, Assistant Attorney General; Doug Moore, Executive Secretary; Patty Brown, Confidential Secretary.

Item #1. Approval of the meeting minutes of November 8, 3013.

Commissioner George moved to approve the minutes as submitted. Commissioner Macomber seconded the motion. Unanimously approved.

Item #2. Commissioner's report.

Commissioner George gave a report on his attendance at the 40th Annual Global Symposium on Racing and Gaming, December 9th through the 12th in Tucson, Arizona. A copy of his report will be made a part of the record.

Sophia McKee reported on her experience attending the symposium. Ms. McKee reported on the new Horseplayers TV that will debut on the Esquire channel. She said she will be participating in a commercial to promote Emerald Downs during the show.

Commissioner Macomber said he had devoted much of his time looking at medication rules and regulations on the different drugs. He said he had also attended the Emerald Downs holiday party.

Item #3. Industry reports.

- a. Emerald Downs. Bob Fraser, Vice President, Operations, reported the handle figures for December 2013 to be down 3.7 percent for the month; down 3.3 percent for the off season simulcast period. The projection is to be down some from last year for the purse account this year, he reported the content of the simulcast races and the weather appears to be the problem resulting in cancellations of some signals.

Mr. Fraser said many projects are going on throughout facility, one main project is to replace the message board with an upgraded board and that should be completed by the end of the January or early February; upgrading the WiFi throughout; upgrading the TVs; and some of the flooring. Mr. Fraser reported Group Sales up 9 percent; and up over ten percent for the year; bookings are looking good also. He reported the satellites are doing well but, still down a little. The Kirkland site has been hit and miss, mailings have been sent out to the zip code in their area. Mr. & Mrs. Spooner, thoroughbred horse owners, have been promoting the Hawks Prairie site; they've talked with the General Manager there to place a sign on the back of their building advertising the Emerald Downs satellite. Mr. Fraser said training is opening on February 1st. The horses will begin to move in on January 30th.

- b. HBPA report. MaryAnn O'Connell reported for WA HBPA. Ms. O'Connell thanked Emerald Downs for their 2014 date's request. Ms. O'Connell reported that even though L&I premiums collected were more; the rates did go up a bit, and a problem with independent contractors has arisen regarding pony riders resulting in at times not having a clear employer and if an injury occurs, there would be no coverage for them from the Horse Industry Account. Ms. O'Connell said they were looking at a solution on that; hopefully before the 1st of February. Ms. O'Connell said they would like to make independent coverage available to them. Representative Schmick asked what the increase was; and it appeared it was more than the 2.7 increase across the board. Representative Schmick said he would look into that to find an explanation.
- c. WTBOA. Anne Sweet reported for the WTBOA. She said their focus was on trying to set the two year old race series up. They're trying to keep it at the same level as in past. The awards banquet is scheduled for Saturday, February 22nd. It's a pretty nice kickoff to Emerald Downs season. Karla Laird, WTOBA board member encouraged people for more donations for the silent auction.

Commissioner Macomber asked if there was any more interest in breeding. Debbie Pabst, owner/trainer/board member said hopefully there is. Her own business is pretty flat at this time. She has reduced her Broodmares from 16 to 10.

Chairman Colliton said he's been talking to the folks on the east side and can't seem to get them interested in breeding.

Mr. Steve Zerta, newest WTBOA board member was introduced. Mary Lou Griffin, breeder and board member said she'd seen an increase in people willing to take some of the horses for free for second homes that couldn't even be given away not too long ago. She thinks it is a good sign. Due to market conditions, she didn't breed three of her own horses. She said she's made a decision to be more aggressive on breeding this year.

Mr. Hodge said the horse show that was held for the Prodigious Fund was overwhelmed with attendance and thought that was a good sign. He said they had found new homes for twelve horses. It has definitely picked up on horse rescues.

Ms. McKee said a survey was done on rescued horses and that she would send a copy to Doug for distribution to Commissioners.

- d. Class Cs: Shorty Martin, representing the Class C race meet at Sun Downs in Kennewick, said there was a meeting with fair board and they will have dates ready for the next meeting consisting of six days of racing. Mr. Martin said the quarter horse challenge races have been approved.

Mr. Moore said the WHRC should be able to assist Sun Downs financially the same as last year unless something unexpected arises.

Mr. Martin asked if the financial funding bill that didn't pass the legislative session last year would be reintroduced. It was unknown.

Item #4. Emerald Downs 2014 Dates request.

Bob Fraser presented the 2014 date request for Emerald Downs and said they are requesting to open a week earlier than in the past; April 12th running Saturday and Sunday for the first three weeks. Then add Friday's beginning in May for a total of seventy-five days of racing. Post time weekdays 6:45PM; weekend post time 2PM; holidays are 4 PM (July 3); and 1PM post time on Saturday May 3rd (Kentucky Derby Day).

Commissioner Macomber asked if the goal was to run ten races on Saturdays and Sundays. Mr. Fraser said hopefully yes. The hope is to get some horses from Portland Meadows.

Chairman Colliton asked if anyone knew which trainers would be returning to Emerald Downs this year. Mr. Hodge said yes some, but applications aren't due yet; he's heard from Trainer, Jeff Metz who has already asked for sixty stalls. Mr. Hodge said they've also increased the bottom purses to \$5100 this year vs. \$4400 last year. He mentioned they are still waiting for notification from the Tribe in writing but have received verbal approval to receive the funding they have received in the past. Mr. Hodge said the participation fee of \$125 per start will continue, and they are able to retain the 10 percent bonus for bigger fields. Races more than a mile will also receive a bonus. Mr. Hodge said there have been no dates listed for Hastings Park and that is a little disconcerting.

Commissioner Macomber moved to approve the 2014 Emerald Downs dates as requested. Commissioner George seconded the motion. Unanimously approved.

Break 10:54 Reconvened 11:10AM

Item #5. Dr. Dionne Benson, Executive Director RMTTC - Recommendations for approved therapeutics and threshold levels.

Chairman Colliton introduced Dr. Benson and briefly explained that her presence was to give direction to our discussions and the rule changes that will be coming soon. He said federal legislation is on the horizon and this topic has been brought to our horsemen at several meetings.

Dr. Benson discussed recommendations for approved therapeutics and threshold levels. Dr. Benson said there are twenty-four drugs on the current list and more will be added. This is definitely not a static list.

Commissioner Macomber thanked her for attending and speaking on where these numbers are coming from, but he was having trouble finding the data. Dr. Benson said she could provide any papers that Dr. Macomber needed.

Commissioner Macomber asked if they are requesting peer review. Dr. Benson said a wide variety of peer review of the data is done before it gets out of committee. Commissioner Macomber said he's not hearing a very diverse group is on the committee. Dr. Benson said there are veterinarians on the committee and they try to pull in as many as possible, and at a minimum they have private, regulatory and analytical chemists reviewing every proposal. Dr. Benson said they are only recommending adoption of the thresholds not the treatment time guidelines at this time.

Commissioner Macomber asked if thresholds will change. Dr. Benson said only with new scientific information would changes be considered.

Commissioner George said he was disconcerted about Lasix going away. He said going to European standards is really worrisome. He's worried about how the industry will deal with that issue and that we must be very careful. Dr. Benson responded that the research on Lasix has already been done and that Lasix is off the table. She said in a large part, everyone has signed on to these reforms and this is an excellent opportunity to settle any issues regarding medication by adopting these thresholds.

Dr. Mark Babcock, Veterinarian for thirty-five years. He said there is a common sense approach to medication in Washington, very few problems with medications; we have the lowest incidence in US. He's concerned that people that are making decisions don't work in the industry and the decisions are coming from those who work in an executive capacity. He said the Washington program works pretty well. He urged the Commission to think long on any changes that are considered. He said the lower level horses in Washington take more drugs. He asked Dr. Benson about the withdrawal times in the plan and what her confidence is in that and would they be publishing those results. He questioned the restricted administration times in the plan. Dr. Benson said the withdrawal times on non-historical drugs, she is very confident in the withdrawal times recommendations, and very comfortable them.

Ramona Tingdale, Veterinarian, stated that she works very hard to keep horses as healthy as possible. Hoping to keep them sound enough to continue at the meet. She does not think animals are disposable, wants them to be healthy and sound.

MaryAnn O'Connell said speaking for Washington veterinarians, the thresholds adopted last year here, work very well and they did utilize a threshold chart to establish them. Ms. O'Connell asked Dr. Benson about the threshold of 20 nanograms (ng) on Flunixin (Banamine) and she said that was never studied, it is a historical threshold.

Dr. Sally Calkins, Equine Medical Director for WHRC said regarding corticosteroids, when a threshold was instituted here, she had looked at the results everyday and after the grace period was over there have been non violations. On the issue of Flunixin all of the levels were all way under 20ngs, with the exception of the only two positives resulted from the quarter horse racing, those results appeared to be a mistake or a higher dosage was given.

Dr. Benson said horsemen are being very careful.

Commissioner Macomber asked about "stacking" drugs and asked about a secondary threshold. Dr. Benson replied yes, there is a secondary threshold. Prerace day and day after can have one positive. All tests are done in the plasma only and not done in urine, thresholds can be more accurate.

Ms. O'Connell asked about the list of 24 threshold adoptions. Dr. Benson said the 24 on the list are the only consideration and then there is everything else. They're working to standardize thresholds. Some jurisdictions will have more than the 24 and some jurisdictions are withdrawing others. The consideration was for FDA approved drugs only and only those will have thresholds.

Ms. O'Connell asked what is the incentive for us to come on board with the recommendations. Dr. Benson said you don't want to be the place where the horses that need medications come to. Public perception of having consistent rules will help racing. The goal is to protect horses, and trainers will

have consistent regulations wherever they go. This will stave off federal regulation of the sport. This will show the industry is making positive progress toward consistency.

Ms. O'Connell said that Dr. Benson's closing statements, was one we all model as well.

Chairman Colliton said this will not be a topic of discussion at the next meeting in February. Chairman Colliton thanked Dr. Benson for attending and her comments.

Break 12:40PM Reconvened 12:55PM.

Item #6. Adoption hearings:

- a. WAC 260-28-020. Stable names - Registration fees and restrictions (Amended sections).

Mr. Moore said currently business names are construed as advertising when used as a stable name and the amendment to this section would allow the use of a business name as long as the applicant can provide proof that they have the authority to use the name. No public comment received. Staff recommends adoption.

Commissioner Macomber moved to amend WAC 260-28-020 as amended. Commissioner George seconded the motion. Unanimously approved.

- b. WAC 260-40-065. Multiple entries (Amended section).

Mr. Moore said in 2005 this rule was amended to allow trainers to enter more than two horses in certain races. The formatting of the rules was done where it was creating some confusion. There is no substantive change to the rule, just a reformat to clarify the intent of the rule. No public comment received staff is recommending adoption.

Commissioner Macomber moved to amend WAC 260-40-065 as submitted. Commissioner George seconded the motion. Unanimously approved.

- c. WAC 260-52-030. Starting the race (Amended section).

Mr. Moore said when declaring a horse a non-starter the stewards were given the option to refund one or more pools. It was discovered the tote software was unable to accomplish this and the amendment changes the language to allow the tote company software the ability to refund all wagers or none in a non-starter situation. No public comment was received staff recommends adoption.

Commissioner Macomber moved to adopt the amendment to WAC 260-52-030. Commissioner George seconded the motion. Unanimously approved.

- d. WAC 260-84-060 Penalty matrix (Amended section).

Mr. Moore said the amendments to the penalty matrix reflect accurate sections when referring to penalties. This section has not been updated for several years and in some cases it

referenced the wrong section. There are no changes to penalties. No public comment was received staff recommends adoption.

Commissioner Macomber moved to approve the amendments to WAC 260-84-060.
Commissioner George seconded the motion. Unanimously approved.

Item #7. April Commission meeting date.

Mr. Moore was recommending changing the date of the April commission meeting from April 18 to April 25. Mr. Moore said he and Chairman Colliton would be attending the ARCI conference in early April; Emerald Downs beginning on April 12th; Sun Downs potentially beginning on April 19; and no meeting scheduled in May it would give himself and Chairman Colliton more time to prepare for a late April meeting.

Commissioner George moved to change the April meeting to April 25, 2014. Commissioner Macomber seconded the motion. Unanimously approved.

Item #8. Executive Secretary report.

a. Wagering Report.

Mr. Moore explained the wagering for November/December 2013.

b. Financial Report.

Mr. Moore discussed the revenues and expenditures and fund balance of \$726,914 up \$122,000 from November of 2012.

Item #9. Any other business that may be properly brought before the Commission.

Chairman Colliton said the next meeting is February 14, 2014.

Chairman Colliton moved for approval to allow the Commissioners to attend the Emerald Downs opening on April 12th.

Commissioner Macomber moved to approve. Commissioner George seconded the motion. Unanimously approved.

ARCI will hold their conference in Lexington, Kentucky on April 7, 8 & 9, 2014; Chairman Colliton asked approval for himself and the Executive Secretary, Doug Moore to attend.

Commissioner George so moved. Commissioner Macomber seconded the motion. Unanimously approved.

Jack Hodge said regarding multiple entries, he is in the process of writing a house rule regarding prohibiting the practice of intentionally entering then scratching a horse to make a race go.

Mr. Hodge asked about moving the claim box to keep it more confidential when dropping a claim. Mr. Moore said he is currently working on this.

Meeting adjourned. 1:12PM

Doug Moore, Executive Secretary