

Washington Horse Racing Commission
Meeting Minutes
July 9, 2009

The meeting convened at 9:30 a.m. Present were: Paul George, Chairman; Jeff Colliton, Commissioner; Dr. Bud Hallowell, DVM, Commissioner; Hartly Kruger, Commissioner; Marta DeLeon, Assistant Attorney General; Robert J. Lopez, Executive Secretary; Patty Sorby, Confidential Secretary.

Item #1. Approval of the meeting minutes of June 11, 2009.

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

Item #2. Commissioners' report.

Chairman George said he and Mr. Lopez had met with the Executive Ethics Board (EEB) to support the policy change requested to be reviewed by the EEB that would allow Commission employees under certain circumstances to work within the horse racing industry during the off-season. The EEB approved the change to the Commission policy.

Commissioner Colliton, Commissioner Hallowell and Commissioner Kruger had nothing to report.

Item #3. Emerald Downs' report.

Mr. Ron Crockett presented several documents to the Commissioners for their review regarding the financial status of the Emerald Downs race track. Mr. Crockett encouraged anyone interested to review his financial statements if there was any doubt the industry was in serious decline. Mr. Crockett stressed the importance for the industry to work together to survive the financial downturn of the industry and the entire economy. (Mr. Crockett provided a number of documents, all of which will be included in the master meeting file.)

Break 10:45 a.m. Reconvened 10:50 a.m.

Item #4. HBPA report.

MaryAnn O'Connell, Executive Director, Washington Horsemen's Benevolent & Protective Association reported on recent meetings she had attended at the National level on several topics including: Life after Slots. She said the horsemen are not protected. A return to zero tolerance on medication. She said America is taking the lead in medication control. She said blood thresholds in steroids are being worked on and Pennsylvania is the only state to test blood for steroids and have only detected five positives. Two of those were mitigating because of gelding and residual tissue giving false testosterone positives.

Item #5. WTBA report.

Mr. Dana Halvorsen, President, Washington Thoroughbred Breeders Association (WTBA) reported the annual meeting was Friday at four at Emerald Downs and encouraged everyone to attend. The yearling sale will be held on September 8th.

Item #6. Walla Walla Fall Meet Officials.

Mr. Lopez, on behalf of the Walla Walla Fair & Frontier Days presented the association officials for approval. Mr. Lopez said the officials listed were the same as the Spring meet and recommended approval.

Mr. Lopez also requested approval of the WHRC officials for the Fall meet at Walla Walla and said the only change would be the presiding steward, no decision had made as to who would be going, but recommended approval.

Commissioner Kruger moved to approve the Walla Walla Fair & Frontier Days officials. Commissioner Colliton seconded the motion. Unanimously approved.

Item #7. Washington Bred Owner's Bonus & Breeder Awards – Discussion.

Commissioner Kruger moved to waive the "Privileged and Confidential" status of the attorney general's opinion on the "Definition of Race Meet."

Commissioner Hallowell seconded the motion. Unanimously approved.

Ms. DeLeon briefly explained her analysis supporting her opinion that race meet meant live racing when dealing with distributions of the handle to various entities.

Debbie Pabst stated that at the time of the law, it was unforeseen to allow withholding of a percentage for Washington bred breeder awards. She said if the award money was diminished it would mean death for an already ailing part of the industry.

Item #8. 2009-2010 Rulemaking – Topics for Consideration.

Mr. Lopez said if the WHRC was proposing to changes to sections/chapters in the Rules of Racing. He suggested changes to WAC 260-24-580 requiring assistant starters to wear safety equipment; WAC 260-36 regarding licensing; WAC 260-49-070 regarding the distribution of

source market fee; WAC 52-040 and WAC 260-42-045 regarding the size, dimensions and use of the riding crop; WAC 260-60 regarding claiming; WAC 260-70 changes to the equine medication program; WAC 260-72-050 use of personal communication devices on the grounds; and WAC 260-84 regarding penalties.

Commissioner Hallowell wanted Mr. Lopez to take it slowly with WAC 260-70 regarding equine medication, he wished there was more science behind the model rules.

MaryAnn O'Connell said she is not ready to ask her association to support equine medication changes until good thresholds were instituted to support penalties.

Jack Hodge asked about out of competition testing. MaryAnn O'Connell responded that a good rule was about to be presented but the cost of testing was prohibitive.

Item #9. Executive Secretary's report.

a. Accountant's recap 2008-2009.

Mr. Lopez explained the accountant's comparison report submitted for June 2008 to June 2009.

b. 2007-2009 Budget – Monthly report.

Mr. Lopez explained the revenues as compared to expenditures with regard to projections and actual figures and the fund balance as of June 30, 2009. He said revenue has been down all year and the good news was so are the charges.

c. RMTC Frozen Sample Program.

Mr. Lopez said a contract had been sent to the WHRC and there were some changes suggested by Ms. DeLeon, Mr. Scot Waterman looked them over and said he would pass them on and get back to the WHRC.

d. 2010 Agency Request Legislation.

Mr. Lopez said he had two pieces of agency request legislation he would like to present and request approval to go forward. One piece was to change the language regarding the funding of the Class C purse money. The language would be amended to set a specific amount (\$15,800.00) for each live day of racing be sent to the non-profit meet for funding of their purses.

The second piece of legislation is to amend the rule requiring the WHRC to collect premiums for Labor & Industries insurance and change the language to reflect actual payroll hours to set the premium which would be paid directly to the Department of Labor and Industries.

MaryAnn O'Connell said it would be disastrous to the horse industry to revert back to hours worked for calculation of the industrial insurance premium.

The Commissioners approved Mr. Lopez's request to continue and submit the agency request legislation to the Governor's office for approval before the September deadline.

e. Request for out-of-state travel ARCI meeting July 30 & 31, 2009.

Mr. Lopez requested permission to attend the ARCI Model Rules meeting and the ARCI Board meeting held in California on July 30 and 31.

Commissioner George moved to permit Mr. Lopez attend the ARCI Model Rules and Board meetings in California. Commissioner Colliton seconded the motion. Unanimously approved.

f. HB 1415 and SB 6104.

Mr. Lopez said the two bills addressed the requirement for agencies comply with publishing on their webpage any rule making changes post their hours requiring agencies to be open forty hours per week and post their business hours. Mr. Lopez said the WHRC is in compliance.

Item #10. Any other business that may be properly brought before the commission.

Hearing none. Meeting adjourned at 12:27 p.m.

Robert J. Lopez, Executive Secretary