

Washington Horse Racing Commission
Meeting Minutes
October 11, 2013

The meeting convened at 9:30 A.M. at the Auburn City Council Chambers, Auburn, Washington. Present were: Jeff Colliton, Chairman; Paul George, Commissioner; Dr. Everett Macomber, DVM, Commissioner; Representative Joe Schmick, Ex-officio member; Doug Moore, Executive Secretary; Patty Brown, Confidential Secretary.

Item #1. Approval of the meeting minutes of September 13, 2013.

Commissioner Paul George moved to approve the minutes. Commissioner Macomber seconded the motion with one correction on page 5 last paragraph; replace "RTMC" with "RMTC". Unanimously approved.

Item #2. Commissioners' report.

Commissioner Macomber said he had visited a couple of the farms trying to promote breeding by encouraging the small farms to possibly take on a horse or two. Commissioner Macomber had met with Doug Moore, Executive Secretary to go over the medication model rules in Olympia.

Chairman Colliton said he's been in touch with the Association of Racing Commissioners International (ARCI) regarding the model medication rules and also the stakeholders are looking at them. He said with the meetings in December, there would be more to discuss at the next meeting.

Commissioner George said he didn't have much to report, but he had been talking with Shorty Martin, Racing Secretary for the Class C meets who said he would be attending the next meeting to discuss the 2014 meet; but Mr. Martin did not appear.

Rep. Schmick said if the WHRC was planning any legislation for the 2014 session that it needs to be filed and offered his assistance. Mr. Moore said he did have one piece of legislation that needed to be corrected; housekeeping legislation, when the 2011 legislation passed, it was discovered that related legislation had been overlooked. An RCW dealing with where the fines assessed are deposited on WHRC accounts had not been amended. Mr. Moore said this amending legislation is at the code reviser for review and the Governor's office staff are assisting to get it approved.

Dr. Bud Hallowell mentioned that in the last Vet Journal, Commissioner Macomber is listed as an officer in the vets association. He is the secretary of the association.

3. Industry Reports.

a. Emerald Downs report.

Mr. Ron Crockett, President, reported on the recently concluded meet. Figures show Emerald Downs to be up 8.3 percent from 2012. He felt this was a good sign, that the fan base is there and can be counted

on. He said that there's no erosion; thanked the horsemen for their great cooperation on field sizes and reported them to be up a little over last year which is important. He said group sales are doing well; attendance was also up this year. Mr. Crockett talked about Portland Meadows meet and explained why their purses were higher than Emerald Downs.

Mr. Bob Fraser, VP Operations, said he had just been notified that their Everett satellite is closing. The Kirkland satellite had plateaued and dropped off a little bit, but has potential for growth. He had talked with the owners of the Black Pearl, in the Spokane Valley, and said that Emerald Downs at this time is staying at Airway Heights site, but will keep them in mind if things change. The Yakima satellite is doing well.

Commissioner George asked Mr. Crockett about dates up and down the coast now that Hollywood Park is closed. Mr. Crockett said he felt there was too much horse racing in California for the horse population.

Commissioner George asked if there would be an Oak Tree meet. The general consensus was that Santa Anita would expand their dates and the remaining would be spread out among the other tracks in California.

b. WAHBPA report.

Mr. Ron Maus, President, gave his admiration to Emerald Downs administration on the handling of the track. Their ability to get the extra \$15,000 to support the WA Cup Races. He feels there is a clear signal that more people are competing at the bottom level purses and their inability to earn enough to pay their bills, he hopes to have a discussion on this with administration to see what can be done. He said Emerald Downs had a successful meet and the track needs to be commended. Emerald Downs is a tremendous facility and everyone is thrilled with the professionalism of the track. He said there's a need to attract more horses to the area. In January the national winter convention is at Santa Anita and would like to have one of the Commissioners or Mr. Moore attend. There will be medication panels with the RMTC. Mr. Maus reiterated that WHRC must be careful and thoughtful in approving the 24 medications that are on the table to be approved at this time.

Mr. Crockett commented regarding legislation, Washington is the only one of the 4 or 5 that have other gaming in their state, that receives no monetary supplement to assist horse racing. Mr. Maus agreed that Mr. Crockett is absolutely correct.

MaryAnn O'Connell, Executive Director, HBPA, reported on the Prodigious Fund; a fund raiser held at Donida Farms with a horse show went very well. It was a very positive event and made a little money for the Fund.

c. WTBOA.

Mr. Dana Halvorson, President, reported on the Keeneland sale and said it was very successful. Keeneland was up 25-30 percent every day, with 28 different countries participating in the sale. He said they even had some shut out. He reported the British Columbia (BC) sale was good.

Commissioner George asked about the BC slot machines and asked if they help the horse racing. Mr. Halvorson said they haven't done a whole lot and they only get minimal support from the slots.

Commissioner Macomber asked Mr. Halvorson about the breeding to stallions in Washington State. Mr. Halvorson said the he did not know of one person that wanted to breed to any horse in this state in the last three years.

Item #4. ADW license renewal -- XpressBet.

Mr. Moore presented the advance deposit wagering (ADW) license renewal application on behalf of XpressBet. Mr. Moore reported XpressBet had no complaints lodged and no government investigations pending. XpressBet was up in wagering last year and staff recommended approval.

Gene Chabrier, Vice President, Government Operations for XpressBet was in attendance and could answer any questions.

Commissioner Macomber asked about the monthly balance; how much variance there was throughout the year.

Mr. Chabrier responded that depending upon the ebb and flow for the year, it really depends on what is happening for the racing week. The state of Washington is up about 24 percent from last year. Per capita is down 13 percent, but with addition of new product and partnership with Derby Jackpot geared to getting novice players from the social media, this has been a pleasant surprise on how much interest there is. But those folks don't tend to bet as much.

Chairman Colliton asked the age limit for betting. Mr. Chabrier said 18 years old. He said XpressBet is also developing a Chinese language site. He said Spanish is also being considered.

Commissioner Macomber asked how much did it cost to open an account. Mr. Chabrier said it is \$10.

Commissioner Macomber moved to approve the license renewal for XpressBet for 2014. Commissioner George seconded the motion. Unanimously approved.

Mr. Crockett asked if anyone knew how many ADWs were out there that the state was not aware of that were taking bets from Washington residents.

Mr. Chabrier said he thought there were about twenty. He said he's extremely upset about this.

Mr. Crockett said he had heard that someone had purchased an email list from Equibase and Washington was listed as being one of the states that account wagering was available. He said all of the sudden there was a notice on the webpage that they no longer take bets from Washington.

Mr. Moore said he is pursuing this matter with assistance from Sharon James, our Assistant Attorney General and he has asked the Oregon Hub to send him a list of Washington residents that were betting through the illegal website. He also had an understanding that they were offering rebates to the larger bettors.

Break 10:45 AM – 10:53 AM reconvened.

Item #5. End of the meet reports.

a. Equine Safety & Health Report.

Dr. Sally Calkins, Equine Medical Director presented the report. Dr. Calkins said they had a very positive year. There were only eight medication violations and none were reported at the Class C meets; sixteen fatalities: 8 during racing, 4 during training, and 4 in the barn. Dr. Calkins urged the WHRC to continue to move toward the ARCI and RMTC model rules regarding therapeutic medications.

Commissioner Macomber said he attributed a lot of the good results from being one hundred percent able to do the prerace inspections. He said that's when the vet comes into contact with the groom in the morning.

Dr. Calkins also thanked the WHRC for the ability to send her to the American Association of Equine Practitioners (AAEP) convention in December.

Ms. O'Connell also wanted to comment that two of the medication violations were on the quarter horse races. She said there is a need to educate the quarter horse community on proper medication administration. Mr. Moore commented that the overage was the same trainer, same day.

b. Steward's end of meet report.

Mr. Moore presented the steward's report to the Commissioners. He reported a fifty percent increase on Washington bred races carded and that claiming was up this year. Mr. Moore said overall it was a very good meet, cooperation with administration was excellent.

Mr. Ken Doll, Presiding Steward, thanked Mr. Moore and Amanda Benton, Associate Steward for their assistance with the final report. Mr. Doll touched on a couple of areas: regarding the riders; there were several new riders and one incident in particular happened on the last Saturday of meet. There were severe rains and the track was pretty bad. There was talk of cancelling the races and the usual procedure is to allow management the opportunity to work the race track; one of the new jockey's Isaias Enriquez, Mr. Doll felt he was very beneficial to not cancelling the race card that day. He became the leader of the jockey colony that day and the races went on. He also took it upon himself to help the younger riders out any way he could. Mr. Doll wanted to mention him publically for this.

Commissioner Macomber said the WHRC security was very visible on the backside this year and had worked well with Emerald Downs' Security and management. He felt they acted very professional, Mr. Doll agreed.

Mr. Doll said the entire WHRC staff works very well together.

Item #6. Update on ARCI Model Rules recommendation on Approved Therapeutics.

Mr. Moore brought this item and said that the WHRC is not that far off on the 24 recommended therapeutics. Mr. Moore said Dr. Dionne Benson, RMTC, will be at the January meeting to give a discussion regarding the recommended approvals.

Ms. O'Connell said that the HBPA has only one view; the science must be there to agree with the medication thresholds.

Item. #7. Rules Updates: Amendments considered.

Mr. Moore said there were several rules that were going to be considered for amendments over the winter:

-WAC 260-28-020 dealing with registration names and restrictions. Mr. Moore said that allowing businesses to use their name for a stable name and is not currently allowed. Mr. Moore said he had talked with Jack Hodge, VP Emerald Downs, and he had no problem with this other than a stable name could not be used that would be directly in conflict with Emerald Downs business.

-WAC 260-28-230 Program training prohibited (new section), There have been some problems with trainers entering and racing horses that have never left the original trainer's barn after being claimed, although this last year with the L&I changes this was not so prevalent.

-WAC 260-40-065 Multiple entries; Multiple entries rule has unclear language and this will be corrected.

-WAC 260-84-060 Penalty Matrix. Mr. Moore said the penalty matrix had not been updated since 2009 needs to be looked at.

-WAC 260-52-030 Starting the race. Mr. Moore said if there is a bad start, when declaring a non starter the stewards may refund one or more pools. This occurred this year, a horse was held in gate, and managed to return and ended finishing second. Stewards declared this horse a non starter. The software at this point is unable to refund one pool, it is refund all wagers or nothing. The amendment would return the rule to what the current software is capable of. We may then revisit this rule later if the software is upgraded. The WHRC rule was ahead of software capabilities at this time.

Commissioner Macomber asked if an owner could enter three horses in the race. Mr. Moore said that currently a trainer, owner or authorized agent may not enter more than two in a race.

Item #8. Meeting dates for 2014.

Mr. Moore presented the proposed 2014 meeting dates. He said they are the second Friday of each month, with no meeting in May, July and December. The April date will be the opening of Emerald Downs which is anticipated to be April 18.

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

Commissioner George asked about the possibility of holding a special day maybe during Washington Cup week for past and current Commission members and employees held at Emerald Downs. There was one last summer and he thoroughly enjoyed seeing old friends.

Item #9. Executive Secretary's report.

Mr. Moore had a couple of items that he wanted to present. He said the owner and breeder awards will go out in early November. A meeting was conducted that included John Lane, Governor's Policy Office, Bob Fraser, Emerald Downs; Sophia McKee, Emerald Downs; the Assistant Attorney General for the WHRC and the Gambling Commission and himself met to discuss the Smart App again. He said they are again waiting for an answer. Mr. Moore said he would be following up on that soon.

Commissioner Macomber had received a letter regarding coal trains passing near Emerald Downs race track and they wanted to know if he or someone from the WHRC would testify on October 17 on that

subject. It was determined that the WHRC would decline the request at this time and will look into it further. Not prepared to respond at this time.

Anne Sweet, WTBOA said she had talked to Jack Hodge about the coal train subject and Mr. Hodge said he was not planning to attend or speak at the meeting. No definitive data on the emissions of the coal dust when the train passes by, so he wasn't prepared to make any determination or attend the meeting either.

Commissioner Macomber said he had contacted the Department of Health, to search for any medical data available and found very little information that goes one way or other. He said they were considering a project to investigate animals along the railroad line to find out if there is exposure, to find out if there was enough coal dust to affect the environment along the tracks, but none has been done so far. No data available to support the allegations.

Commissioner George said Yakima is on the mainline too and will be the route for the empty coal trains.

- a. Wagering Recap (September 2013); and

Mr. Moore went over the wagering handle reports for September 2013 by month, race year, and live season. Results show the totals to be down 8 percent; Advance Deposit Wagering for September 2012 through September 2013 totals up 7.3 percent.

- b. Monthly financial statement (August 2013).

Mr. Moore explained the revenue and expenditures. The fund balance is \$723,713.

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

None.

Meeting adjourned. 11:45 A.M.

Douglas L. Moore, Executive Secretary