

Washington Horse Racing Commission  
Meeting Minutes  
October 9, 2015

Present were: Jeff Colliton, Chairman; Paul George, Commissioner; Dr. Everett Macomber, DVM, Commissioner; Representative Joe Schmick, Legislative Ex-Officio Member; Isaac Williamson, Assistant Attorney General; Doug Moore, Executive Secretary; Patty Brown, Confidential Secretary.

Item #1. Approval of the meeting minutes of September 11, 2015.

Commissioner George moved to approve the minutes with two changes. Commissioner Macomber seconded the motion. Commissioner Macomber asked Phil Ziegler, President Emerald Racing LLC about the letter that had been prepared in opposition to federal legislation being introduced federally. Whether it had been delivered. Mr. Ziegler said the Tribe's lobbyist had delivered it personally. The minutes were unanimously approved.

Item #2. Commissioners' reports.

Commissioner Macomber didn't have much to report due to his wife's illness. He said he had spent more time reading and reviewing materials relative to medication issue.

Commissioner George said he had enjoyed the day at the races and the honor of presenting the trophy for the Jerre Paxton race. He appreciated the hospitality of Emerald Downs hosting him and his family.

Chairman Colliton spoke about the medication issue detailed in the September minutes regarding the ARCI present chair from Arkansas establishing a network of teams in the ten jurisdictions researching who does or does not have an accredited lab and use of third party lasix administration. Mr. Moore is gathering a lot of information and will put this all together and talk about this subject on December 5<sup>th</sup> during the meetings scheduled in Tucson. Chairman Colliton said he would report on the outcome of those meetings.

Item #3. Industry reports.

a. Emerald Downs.

Phil Ziegler, President, Emerald Racing LLC reported that the meet went well; a great effort was made by everyone including the staff. They had a lot of fun. He hopes to have the ending statistics available by the November meeting. He is also hopeful to be able to give the Commission some indication of the dates for the 2016 live meet. He said they are moving forward with the card room project and hope to have it up and operating by next summer.

Chairman Colliton mentioned he had stopped by a gathering of Playfair folks in Spokane; he said there must have been 60 attendees. Mr. Moore and presiding steward Kenny Doll attended. It was a great function. Mr. Moore said a lot of the owners and trainers attended, not much on the management side. Joe Sample was there and he still has some horses racing in CA. Todd Stevens who is starter at Golden Gate was also there.

b. WHBPA.

MaryAnn O'Connell, Executive Director reported on the activities of the HBPA. She said not much to report on, they've been busy closing out the year. Lanna Allen was doing great job on the Labor & Industries tracking during the meet. She said she would also like to meet and talk with the Commission regarding accountability on the L&I charges. She said there was a trainer appreciation day on last day of meet and it is always well received. She spoke on the Graham motion in Maryland, a case similar to the Vince Gibson case on Xylazine. It went on to court, and the court overturned the commission decision based on unpublished research used to set the threshold level.

c. WTBOA.

Anne Sweet, Editor, said they were working on the yearend Washington bred statistics; she reported that 53% entries were WA breds; and of that 49% were winners. Twenty percent were sales horse winners throughout meet. Of the 27 thoroughbred stakes, 50% were WA bred winners. This last Sunday, El Dorado Farm had an open house, there were 125 attendees; twice the number at their last open house. She said it feels very positive going into the breeding season. The WA Thoroughbred Foundation would benefit once "Music To My Soul" progeny start racing.

Item #4. ADW license renewal – XpressBet.

Mr. Gene Chabrier, Vice President Regulatory Affairs and Business Development, XpressBet was present to answer any questions. Mr. Moore presented the annual license renewal information for a license that would begin on November 18, 2015 to continue until November 17, 2016. Finding nothing detrimental the staff recommended approval.

Mr. Chabrier said there hadn't been any changes other than the YUP racing being dropped. Chairman Colliton asked what YUP racing was and Mr. Chabrier said it was a Chinese language app for wagering. This platform had never performed well and they weren't able to come to any agreement, so it never started. Commissioner Macomber asked if there was an impact from this. Mr. Chabrier said not much it was very small.

Chairman Colliton asked if there were any changes in the plan of operations. Mr. Chabrier said that Gulfstream Park had launched an integrated rewards program and a couple existing of programs through XpressBet paid rewards when at the track or at home. He said he would be coming soon to meet with Sophia McKee, Marketing Director with Emerald Downs, to see if these programs can be started with Emerald Downs. He said it is a rewards program, but it still gets people out to the track.

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

Rep Schmick asked about Fan Duel and the interest in internet betting; if this gets attached to internet wagering; how is this not an expansion of internet betting. Mr. Chabrier responded that he didn't think this could be attached to pari-mutuel betting because it isn't parimutuel. In his opinion horse racing has a big advantage by the Interstate Horse Racing Act. He said this should definitely be separate. He said he didn't understand how they have gotten this far without regulations; how is this legal. Mr. Moore said Advance Deposit Wagering (ADW) is carved out under the Interstate Horse Racing Act.

Item #5. End of the Meet Report-

a. Equine Health and Safety report.

Dr. Patricia Arnold, Equine Medical Director, WHRC, presented the 2015 end of meet report.

Commissioner Macomber asked Dr. Arnold about Lasix, what is actually happening. Dr. Arnold said the horses are given shots sometimes only two hours out not four as required by rule. Mr. Moore said the Association of Racing Commissioners International took out the four hour rule; but had subsequently reinstated it and that he would be purposing to reinstate the four hour rule and add a penalty. Mr. Moore said he would be looking into this further.

Commissioner Macomber asked about the stacking rule. Dr. Arnold found out it was permissible to have more than one Non Steroidal Anti Inflammatory Drug (NSAID) in the horse's system. Mr. Moore said it was permissible if

one of the drugs present was Bute and if it was under five micrograms per milliliter. Mr. Moore said he was hoping to meet with Ms. O'Connell to discuss a more detailed rule.

Commissioner Macomber asked about the age limit of horses that were allowed that had never started. Mr. Moore said he had talked with Bret Anderson, Racing Secretary, and in one case all of the horses on a trainer's stall application were over eight years old and had never started. Mr. Anderson said he would not accept applications on horses over five years of age and had never started in a recognized race in the future. Mr. Hodge said he was upset about that situation also and had a talk with Mr. Anderson about this. Mr. Hodge said this rule will include quarter horses also.

Commissioner Macomber said regarding vet scratches and how they are approved and that's it is a tough point. The State Vet is not at the race track until Friday and makes it hard to be able to see a sick horse that is entered and needs to possibly be scratched because they aren't there until Friday and the race office is taking scratch cards and then asking the vet to sign them after the fact and Dr. Arnold was not comfortable with that. Mr. Moore said maybe a solution could be that the race office takes the card from the trainer, but holds it until state vet has a chance to approve it. Don't announce the scratch until the Vet has a chance to approve it. Dr. Arnold said this is the procedure on Friday, Saturday and Sunday.

Commissioner Macomber said more emphasis should be placed on promptly reporting the medication reports. These reports are due at the end of the day, not the next week. Possibly make it a penalty if they don't. Mr. Moore said he is working with Ms. O'Connell on the medication reports to obtain exact details of dosages on horses. Some details were not there and some were incomplete, such as the time and dosage given. He said the stewards have the authority issue a penalty and determine the penalty whether monetary or something more.

Mr. Moore asked Commissioner Macomber to speak on the Xylazine issue. Commissioner Macomber explained why this level was chosen. He said that due to the limited and questionable data and research materials available, the WHRC made a decision on a level and then with more input decided to move the threshold. The WHRC when reviewing any medication issues try to obtain the most informed materials available with peer established medication levels. In taking another look at the data, the WHRC felt the threshold was too low with information available. A request came in to change from .1 nanograms to .2 nanograms and Commissioner Macomber said this change came pretty close to being right where it should be; this level was not physiologically affective in a horse. Commissioner Macomber said he was comfortable at this level. Dr. Arnold said she is hoping to get to the national level and felt we were going the wrong way. Commissioner Macomber explained that's why we changed, he said he felt the WHRC was way off in the level chosen. Mr. Moore said he thinks this is happening more, considering the positives. The studies are being attacked. The WHRC is not going with non-published, and going only with peer reviewed data. The WHRC has slowed down trying to get it right. We may see some changes at the RMTC and ARCI levels. Ms. O'Connell thanked WHRC for taking this slower approach.

Mr. Moore said he would confirm some of the statistics that were reported regarding the euthanized horses at the track this season and then report would then be added to the WHRC webpage.

Dr. Arnold said a horse had tested for Equine Infectious Anemia (EIA). Dr. Arnold said she had euthanized the horse. She reported that two were detected at Portland Meadows and were going to be put down. Mr. Hodge said the Washington State Veterinarian seemed to think this was caused by taking the horse out and match racing it, and possibly sharing needles. The USDA is not particularly concerned about biting insects as a cause. Mr. Hodge said a plan would be in place to stop this issue by requiring a Coggins test and the results of that test placed in the horse's file in the race office.

b. Stewards end of meet report.

Kenny Doll, Presiding Steward reported on the 2015 meet. Mr. Doll said that there was really no notice in the transition of the ownership of the race track. Mr. Ziegler kept in close contact, which kept things moving along.

He reported the grounds are continually in good condition. With the two new WHRC employees, Dr. Arnold and Ms. Kim Wales welcomed this year everything ran very smoothly. He asked for questions.

Commissioner Macomber asked about the physical condition of the grounds. Mr. Doll said an assessment was done prior to the race meet and again at the end of the race meet. He said the association does an excellent job. He reported the fencing was in good condition none down. Mr. Moore said the WHRC investigators are constantly walking the barn area during the meet and report any concerns.

Commissioner George had no questions. He said with experienced people returning every year, it is a plus.

Chairman Colliton asked Mr. Ziegler as a newcomer, if he had any concerns. Mr. Ziegler said no, he felt he had a good relationship between staff and management.

BREAK 11:02 AM; Reconvened. 11:07 AM.

Item #6. Owners/Breeders Awards update.

Mr. Moore said Ken Mitchell part-time Financial Manager for the WHRC, has been compiling the spreadsheets for the distribution. The factors are calculated and are up a little from last year, but the factor is almost identical. The breeders are the same, the fund is up slightly. Breeders percentages are for 1,2, 3, and 4<sup>th</sup> placing for WA breds. The hope is to have them out by November 1<sup>st</sup>.

Item #7. Meeting Dates for 2016.

Mr. Moore presented the 2016 meeting dates. Mr. Moore asked the Commissioner whether they preferred January 8 or January 15 date; and the April date may change due to coinciding with the opening of Emerald Downs.

Commissioner Macomber moved to approve the dates as presented with the first meeting in 2016 to be January 8th. Commissioner George seconded the motion. Unanimously approved.

Commissioner George mentioned the high number of claims; reflecting this to be a result of the shortage of horses. He also commented on the high purchaser at the recent WTBOA sale. What they used to call a "pinhooker." Ms. Sweet said unfortunately that's true, and said they've already seen a sale horse come back for sale.

Item #8. Executive Secretary's report.

- a. Wagering recap (September 2015);

Mr. Moore reported on the September 2015 wagering year to up 5.59 percent; for the wagering month up 5.02 percent; for the live race meet down .42 percent; and for the satellite year down .48 percent.

- b. Monthly Financial Statement (August 2015).

Mr. Moore reviewed the revenues and expenditures for August 2015 and reported the fund balance at the end of August, \$886,555.

Mr. Moore said our budget analyst reported us overspending our projections due to pay increase and an additional employee.

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

Mr. Moore said he had received the preliminary L&I premiums for 2016 and they are going up again for next year. Ms. O'Connell said it's probably mostly inflationary. Chairman Colliton asked about risk factor. Ms. O'Connell said we really don't have a risk factor or experience factor.

Rep. Schmick said he thought Ms. O'Connell was correct mostly inflationary increases, and the reserve factor that needs to be maintained. Everyone fights and struggles with this. Ms. O'Connell said fraud is still a factor; when someone stays on L&I and could go back to work.

Chairman Colliton said regarding the hearing held last meeting, Mr. LeRoy Nelson was sent a written order yesterday. It was unanimous to not grant him a license, and the stewards were upheld.

Meeting adjourned.

11:26 AM

---

Doug Moore, Executive Secretary