

Washington Horse Racing Commission  
Meeting Minutes  
January 8, 2016

Present were: Jeff Colliton, Chairman; Robert Lopez, Commissioner; Dr. Everett Macomber, DVM, Commissioner; Representative Strom Peterson; Representative Joe Schmick; Isaac Williamson, Assistant Attorney General; Doug Moore, Executive Secretary; Patty Brown, Confidential Secretary.

Chairman Colliton welcomed Robert Lopez to his first meeting as a new Commissioner.

Item #1. Approval of the meeting minutes of November 13, 2015.

Commissioner Macomber moved to approve the minutes. Commissioner Lopez requested to clarify one sentence on page 4 identifying Cornelia Kirkpatrick, Budget Analyst for the Commission. Commissioner Macomber wanted to ask a question of Sophia McKee regarding the proposed XpressBet rewards program but would do so later in the meeting. Minutes were unanimously approved with the requested change.

Item. #2. Commissioner's report.

Commissioner Macomber said he'd had a good break. He had been reviewing lab selections for the Washington Horse Racing Commission (WHRC) equine testing contract and medication rules.

Commissioner Lopez had no report.

Chairman Colliton said he and Doug Moore had attended the RCI meetings in Tucson in December. Chairman Colliton said the meetings discussed USADA being made the testing site for samples and in his opinion, he would not be in favor of USADA taking over the equine drug testing program. It would be very costly to have USADA do the testing.

Mr. Moore spoke about the model rules meeting he attended. One major topic was regarding medical labeling. He said that no one could agree about trainer's bringing medications from one jurisdiction to another; and legally who could administer the medications. Mr. Moore said this topic is not moving forward very fast. Mr. Moore said the Jockeys Guild was working on a uniform emergency notification system on the tracks, but Mr. Moore said that Emerald Downs has more in place now than what they're requesting. Another topic discussed was safety equipment; with technology constantly changing, the WHRC was frequently making changes to our rules. Mr. Moore said he was going to open this rule and change the standard rather than having to specifically change the rule every time a change is made. Mr. Moore said the Association of Racing Commissioners International (ARCI) is requesting to do "town hall" meetings regarding adoption of the model rules. He said the dates for the meetings would be July 14 or 15. Mr. Moore said regarding USADA, they were asked and could not give a price for testing, but based on what they do for the Olympics it is about \$1800. The USADA seems to be more interested in out of competition testing, not the live racing testing. Currently it takes 4-6 weeks before samples are cleared and this would not fit with our horsemen to have to wait that long for results to be given. Mr. Moore said he is more than comfortable with Truesdail Lab being chosen as the WHRC testing lab. Mr. Moore said this symposium was better than in past years.

Commissioner Macomber said he had read an article in the HBPA Journal by Kentucky about USADA, viewed from their perspective. He said it was well done.

MaryAnn O'Connell, Executive Director, WA HBPA, brought an article from the HBPA Journal regarding a trainer that received a positive for Tramadol which is a human used pain killer. The trainer had been shut down and facing a 6 month suspension. Further testing discovered that there were no antibodies from the drug in the horse's system and the drug had actually never gone through the horse. The split sample had come back with no detection. Ms. O'Connell discussed Methocarbamol how it had gotten through with a 48 hour threshold. She said she will probably propose another threshold this year. She also said Xylazine was still being reviewed nationally and there may possibly be a new threshold presented. Commissioner Macomber said this is an ongoing process, changing day to day and the technology on a substance may be appropriate, but sometimes people are trapped into thinking that this is the only answer. He said there are alternatives available. Ms. O'Connell said the absolute insurer rule may need to be reviewed. Commissioner Macomber said Tramadol was used by mixed animal veterinarians. The product is out there and human doctors prescribe it a lot.

Item #3. Election of Chairperson.

Commissioner Macomber moved to nominated Jeff Colliton retain the Chairmanship. Commissioner Robert Lopez seconded the motion. Nominations were closed. Chairman Colliton said he appreciated very much the nomination. Unanimously approved.

Item. #4. Industry reports.

a. Emerald Downs.

Phil Ziegler, President said they were in the mode of getting ready for the 2016 season. He said they had been experiencing power issues right before the holidays. He said they are all back to normal, with minimal disruption. The Catering Department had been busy with holiday parties utilizing lanterns and candle light during the power outage. Mr. Ziegler said for next season, a lot of projects are being worked on. Mr. Ziegler said one of the major events was the relay races and June 10-12 will be the relay weekend. He said this event had a good response and that event is only going to grow. They are making final touches on the promotional schedule and are within a week of having it completed. Jack Hodge said he is finalizing stakes schedule. The biggest news is that Emerald Downs is working with Hastings Park to see if there's any interest in sharing stakes races to give horsemen an opportunity to race both here and there. It is a cooperative effort, due to the shortage of horses. Mr. Hodge said basically a truce was called specifically to not tampering with claiming, to enhance the allowance and stakes races, that's what they are concentrating on. Mr. Hodge said stall applications are due on January 19<sup>th</sup>. There are a number of incentives such as providing an amount of pellets to get started, and again the Muckleshoot Tribe will provide dollars to offset Labor & Industries premium costs. Mr. Hodge said an "early bird" payout was made in May and the second part payout was at the end of the meet in October and November. He said \$186,000 in L&I subsidies were paid out and he said this is offered again 2016. He said a \$400 ship in bonus for horses that haven't raced at Emerald Downs would be offered. He felt this is what had spurred the huge amount of claiming last year. Mr. Hodge also said Bret Anderson, Racing Secretary was going down to Phoenix to try to sign up people for the meet.

Chairman Colliton asked Bob Fraser, Operations Manager, about the new machines at the satellites. Mr. Fraser said with the new Sportech contract, they are in the process of changing out the equipment at the satellites and at the track as well. Mr. Fraser said he had been talking and meeting with Little Creek Casino about a satellite. He said currently Emerald Downs has eleven Off Track Betting sites (OTBs) throughout the state.

Commissioner Lopez asked how the track did last year, was there an increase? Mr. Ziegler said they were up slightly; previously ran 73 days, this last year only 70, but actually ran more races. He said simulcasting was doing well; Advance Deposit Wagering (ADWs) were off and host track fees keep going up, but are wagering is staying steady. Commissioner Lopez asked about patrons wagering online while at the track. Mr. Ziegler said this is a concern, but they can wager on the Emerald Downs online wagering site. He said it's impossible to block an iPhone app and they are still able to get online that way. Mr. Ziegler said he's looking into working with Sportech to actually have online wagers count as an on-track wager, but the technology isn't there yet; not able to use location services yet. Mr. Ziegler said they are upgrading the Emerald Downs app and they can use their iPhone and receive still rewards and the track would get the credit for the wager. He reminded everyone that June 20 is the Emerald Downs 20 year anniversary festivities.

b. WA HBPA.

MaryAnn O'Connell reported that she would be attending the national HBPA convention in Tampa FL, where she expects a good medication forum to be held. She said she would get Commissioner Macomber a CD of that meeting. She also expects to hear more about the recent Lasix study. Ms. O'Connell said she and Mr. Moore had attended a medical coverage program and specifically in regard to covering jockeys. She said in Washington the jockeys were covered in the mornings as exercise riders and able to participate in Labor & Industries coverage, but during the live racing as a jockey, were still unable to be covered.

c. WTOBA.

Will Brewer, President, said he had been in Kentucky. He said the annual Breeder Awards banquet is scheduled for February 27 and hopes all could attend. He said there will be a silent auction and it's pretty entertaining. He said the numbers of mares bred was 275 in 2014 to an increase to 336 in 2015, first increase in a long time. He said the Eastern Washington stallions were a big part of that. He said the increase was expected to continue from everything that he's heard. He reported there are four new stallions of which three are based in Yakima and one in Auburn. He said 2016 is a focus on home bred, to increase this, and focus on a spinoff of the Emerald Racing Club. Hoping to establish a broodmare club. He's working closely with Sophia McKee on this program.

Commissioner Macomber seeing Ms. McKee asked about XpressBet rewards program, the question he had from the prior minutes. Ms. McKee said she met with Gene Chabrier, XpressBet and he said they are continuing to working on this.

d. Sun Downs.

Shorty Martin, Racing Secretary said they are working with the county and hope to have the track open for training on January 1 for the next three years. He said the Challenge races have been sent in; for the Maiden Challenge, the Filly Distaff and the Quarter Horse Derby regional race, which is the second biggest race in the series. Chairman Colliton asked about funding for marketing for their race meet. Mr. Martin said they are hiring Jeff Morrow retired from the Tri-City Herald newspaper and will do the marketing for them. Mr. Moore said he talked to Trey Buck, American Quarter Horse Association (AQHA) regarding hair testing and an announcement would be in the conditions for the challenge races. This is not a regulatory action by the Commission, this will all be done by the AQHA. WHRC would take no action what so ever. AQHA is looking for Clenbuterol, which they believe is being abused, giving an anabolic steroid effect. Commissioner Macomber asked who would take the samples. Mr. Moore said the AQHA will send someone to take the samples. Mr. Martin said due to this, a change in the rules was made making the ten fastest horses qualified with the next four horses made also eligible if a positive occurs, the next fastest qualifier will be placed in the finals. This will also affect the Emerald Downs quarter horse races. Mr. Martin also announced a local quarter horse from Kennewick won the biggest race in the nation and the horse "He's a Dash a Fires" is the fastest champion quarter horse.

Break. 10:30AM Reconvened. 10:40AM.

Item # 5. State Veterinarian Dr. Joe Baker – update and discussion of EIA.

Mr. Moore said an issue came up with a positive Equine Infectious Anemia (EIA) at the Emerald Downs meet last year. Dr. Joe Baker, Washington State Veterinarian gave a presentation to review the circumstances surrounding the positive. (PowerPoint presentation attached.)

Commissioner Macomber asked what the exposure potential was? Dr. Baker said none. Chairman Colliton asked Mr. Hodge what was being done at Emerald Downs for the 2016 meet. Mr. Hodge said a letter had been sent to all horsemen notifying that horses on the grounds at the time of detection would need to be tested after 60 days. A subsequent letter was sent requiring a negative Coggins test needed to be done by December 1 or after. Horsemen have been made aware by the WHRC, HBPA and WTBOA. We are hoping the word is out to everybody possible. Dr. Baker said he's also worried about the horses that just come and go without any type of health certificate. Commissioner Macomber asked about pony horses. Dr. Baker said every horse needs to be tested. Mr. Martin asked about the 4H barrel racing horses. Dr. Baker said it wasn't an issue in his mind. Ms. O'Connell asked if there was any information that could be distributed. Dr. Baker said he had some information that he could get to her to distribute to horsemen about disposing needles and not reusing them, etc.

Item #6. Approval of amended Policy Statement 2007-02.

Mr. Moore presented amended Policy Statement 2007-02 Licensing Requirements for Initial License. Mr. Moore said the amendment is to first time exercise riders and pony riders, they will be required to wear a garment provided by the WHRC that will identify them to other individuals on the track as newly licensed. Mr. Moore said after talking with Mr. Bryson Cooper there may be another update.

Commissioner Macomber asked about the discrepancy of retesting timeframes also in the policy for the different categories. He asked if they could be made consistent. Mr. Moore said he would take a look at

that part of the policy also. Commissioner Macomber moved to adopt the amended Policy Statement 2007-2. Commissioner Lopez seconded the motion. Unanimously approved.

Item #7. Approve Split sample labs.

Mr. Moore presented the 2016 list of split sample laboratories. He said he had removed the Center for Tox Services and the Racing Laboratory in Florida due to no response to our inquiry to be included. Texas A & M was added this year. Commissioner Lopez moved to approve the 2016 Split Sample laboratories. Commissioner Macomber seconded the motion. Unanimously approved.

Item #8. Class C Purse fund update.

Mr. Moore said the tentative figure for the Class C purse fund was about \$77,725, up 1.4 percent from last year. He said there would be about \$100 for interest earned from the WHRC operating account that would be added.

Mr. Martin had also emailed Mr. Moore asking again this year for assistance with purse money and liability insurance. Mr. Moore said he thought there would be funds available to assist them. Commissioner Lopez asked about Waitsburg turning their track into baseball fields. Mr. Moore said he thought that was still the case. Commissioner Lopez asked about increasing the license fees for ADW renewals and asked Mr. Ziegler if that would be a problem. Mr. Ziegler said no problem, but they might lose some of the smaller ADWs. Commissioner Lopez said maybe a fee based on handle would be a better thought. He asked Isaac Williamson, AAG, if the renewal fee was raised too much would there be a need for legislative approval? Mr. Williamson said he didn't know. Mr. Moore said he would send Commissioner Lopez an email he has on that subject.

Item #9. Executive Secretary report.

- a. Wagering recap (November/December 2015).

Mr. Moore reviewed the wagering recap reports for November and December 2015.

- b. Monthly Financial Statement (October/November 2015).

Mr. Moore explained the revenues and expenditures, reporting the fund balance to be \$903,149. Mr. Moore said our budget analyst Cornelia Kirkpatrick retired on December 31st and the new budget analyst would be Mr. Pouth Ing .

Item #9. Any other business.

Mr. Moore reminded the Commissioners their personal disclosure statements were due April 15th. The April Commission meeting would need to be held in a different location due to the Auburn City Council Chambers being unavailable and Mr. Fraser said Emerald Downs would be able to host the Commission. Commissioner Lopez moved to move the April 8, 2016 Commission meeting to Emerald Downs. Commissioner Macomber seconded the motion. Unanimously approved.

Chairman Colliton moved to approve WHRC Commissioners attendance at the Breeders awards banquet on February 27th and also attend the Emerald Downs 20<sup>th</sup> Anniversary festivities. Commissioner Macomber seconded the motion. Unanimously approved.

Mr. Moore reported HB 2320 was dropped and if passed take the WHRC from an appropriated state agency to a non-appropriated agency. Mr. Moore said if the Legislature was unable to pass a budget, the WHRC would not have to close operations. Mr. Moore was also waiting for information from the Governor's office if there was a position on this. Shane Hamlin, Office of Financial Management budget analyst for the WHRC was also asked what the position might be on this. Mr. Moore recommended that the WHRC neither support nor oppose it. A hearing is scheduled for Tuesday with the Commerce and Gaming Committee which Mr. Ziegler would be attending. Mr. Ziegler said if that were to happen again, that would cripple the horse racing industry to shut down due to the Legislature's inability to pass a budget.

Chairman Colliton announced the next WHRC meeting is set for February 12th. Hearing nothing further, the meeting was adjourned.

12:00 Noon

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Doug Moore, Executive Secretary