

Washington Horse Racing Commission
Meeting Minutes
June 8, 2018

Present were: Everett Macomber, DVM, Chairman; Jeff Colliton, Commissioner; Robert Lopez, Commissioner; John Meader, Assistant Attorney General; Representative Joe Schmick, Legislative Ex-Officio Member; Doug Moore, Executive Secretary; Patty Brown, Confidential Secretary.

Chairman Macomber opened the meeting at 9:45 A.M. having waited a few minutes as Commissioner Colliton's plane was delayed in landing at SeaTac Airport.

Item #1. Approval of the meeting minutes of April 13, 2018.

Commissioner Lopez moved to approve the meeting minutes as submitted. Chairman Macomber seconded the motion. Unanimously approved.

Item #2. Commissioners' reports.

Commissioner Lopez and Chairman Macomber both said they had attended the memorial service for Dr. Bud Hallowell a previous commissioner of the Washington Horse Racing Commission on May 10, 2018.

Chairman Macomber said he had also attended the Auburn Handicap.

Item #3. Industry Reports:

- a. Emerald Downs. Mr. Phil Ziegler, President reported that the Indian Relay races were to be held this weekend. He said with the weather not good, he hoped for a good turnout. He said there would be lots of entertainment and they can move under cover if necessary and still be at track level. He said there is some chance of thunder storms but they are prepared for that. He mentioned that this would be the last 2 P.M. post time; they would be going to 5P.M. on June 16th. He said they are expecting a big day on Father's day; already had a couple of good stakes races.
- b. WHBPA. MaryAnn O'Connell, Executive Director, spoke on the WHBPA board meeting coming up on June 23rd and the hoping for one or more of the Commission members could attend. She said they have a new racetrack Chaplin onboard. He is bi-lingual and has some good programs he's hoping to get started. Commissioner Lopez asked about the national legislation, how many states have joined the medication compact. Ms. O'Connell said she didn't know. Mr. Moore said there are some negotiations going on; it may change, but it is very preliminary to talk about. Ms. O'Connell said she had heard that it may not be possible to satellite across state lines if they don't join. Mr. Moore said he's been contacted for thoughts on this subject and had gotten a nice reply back; and had followed up with some questions. He said we're on the same page. Ms. O'Connell's main concern is whether there is a seat at the table for the horsemen. Her concern is that this is the horsemen's industry and everyone likes uniformity. But she was

wondering where the horsemen's voice would be. Commissioner Lopez also asked about the meeting on June 23rd; what the Commissioner's role might be or is it to just be there. Ms. O'Connell said she would get the agenda to him as soon as she could. She said possibly talk on Legislative items, take general questions, just to participate. Chairman Macomber asked what time. Ms. O'Connell said 12:30 P.M. luncheon and start the meeting by 1 P.M. at the Breeders Pavilion.

- c. WTBOA. Mr. Dana Halvorson, President, said on July 1st they will have their annual meeting at 6:30P.M. on the 4th floor at Emerald Downs. He said Dr. Claude Ragle, WSU Vet School will be speaking on breathing issues and available to take questions. The agenda also includes the business meeting, finances, sales, etc. Mr. Halvorson said the Equine Art Show is August 13-15 at Emerald Downs. Chairman Macomber asked about breeding; how it was going. Mr. Halvorson said it's hard to tell, some horses are busy, they are down in numbers dramatically; down a third. It's not as easy as it once was. Emerald Downs is doing well and has been able to keep people in the business. He said people are always interested, but the problem is, people don't have the space to raise horses. Ms. Anne Sweet, Editor, WTBOA, said the sale is August 21st; they are down in numbers from last year, although last year was up dramatically. Ms. O'Connell said the number of horses at Emerald Downs is same as last year. Commissioner Lopez asked about chipping. Mr. Halvorson said it is in effect now. Commissioner Lopez asked when horses are chipped. Mr. Halvorson said they have to be chipped in order to be registered with the Jockey Club. He said this is just an added cost. Ms. Sweet said the other thing is that they are going to electronic papers; we'll see how that transition goes. Mr. Moore said the WHRC will have three or four chip readers; plus a tablet for each has to be acquired for each reader.
- d. Sun Downs. Mr. Moore reported for Shorty Martin who is in Union, OR presently. Mr. Moore reported Sun Downs to be down 2.2 percent from 2017. He said Sun Downs ran two less races but the per race handle was the same. He also said bad weather was a factor for their last day. The lease with county is up this year and they are in negotiations, but lease amount may be prohibitive but Tri City Horse Racing Association is working with the county on this.

Mr. Moore said due to this being Belmont week, Mr. Moore asked to move Item #5 up on the agenda. Chairman Macomber moved NYRABets ADW renewal request up on the agenda.

Commissioner Colliton arrived to participate in the meeting 10:14A.M.

Item #4. ADW license renewal - TVG.

Mr. Moore presented TVG advance deposit wagering's renewal application. Mr. Moore said there was a change Trent Spillman as the director of customer finance. Mr. Moore said staff recommends approval. Mr. Jeff Lowich, Director was present to answer any questions. Chairman Macomber asked Mr. Lowich, if TVG was doing business as TVG. Mr. Lowich said ODS Technologies is the original sponsor of TVG. Mr. Lowich said TVG is doing very well in Washington State and doing well with Emerald Downs as well, it is a good site.

Commissioner Lopez moved to approve the renewal application for TVG Advance Deposit Wagering. Commissioner Colliton seconded the motion. Unanimously approved.

Item #5. ADW license renewal – NYRABets. Mr. Moore presented the NYRABets renewal request. Mr. Moore said present for NYRABets was Matthew Feig, also present were Nicole Foley, Counsel, Tony

Allevato, President. Mr. Moore said staff recommends approval. Chairman Macomber asked if there were any new plans going forward. Mr. Feig said there were no changes. Commissioner Lopez moved to approve the NYRABets ADW license. Commissioner Colliton seconded the motion. Unanimously approved. Mr. Feig said they appreciate the Commission and thanked them for the approval.

Mr. Moore said if agreeable, in 2019 he would move the NYRABets ADW renewal hearing to the April 2019 agenda. NYRABets is involved with Belmont week and it is a busy week for them; to move the hearing to April would benefit them. It was agreed to move the NYRABets renewal to the April agenda.

Item #6. Adoption Hearings:

- a. WAC 260-36-260 Employee and duties.

Mr. Moore said the amendment in this section expands and clarifies duties that grooms may be expected to perform; adding language regarding loading and unloading of horses at the track from vans and trailers; along with assisting with feed and supply deliveries. HBPA requested this amendment and contributed to the language. Staff recommends adoption.

Commissioner Colliton moved to approve the amendments to WAC 260-36-260. Commissioner Lopez seconded the motion. Unanimously approved.

Item #7. Repeal of policy statements.

- a. 2007-02 Phenylbutazone Penalties.

Mr. Moore said Commissioner Lopez had asked him to look at the WHRC Policies and said he thought some needed to be repealed. Mr. Moore said in looking at Policy statement 2007-02 regarding Phenylbutazone Penalties; those had been incorporated into rule and there was no longer a need for the policy. He requested Policy Statement 2007-02 be repealed.

Commissioner Lopez moved to repeal WHRC Policy Statement 2007-02. Commissioner Colliton seconded the motion. Unanimously approved.

- b. 2007-05 Denial of application/revocation of license and licenses with Conditions.

Mr. Moore said this policy was placed to assist the Board of Stewards in properly applying fairness to applicants and to view the suitability of a licensee to participate in horse racing activities; protecting the integrity of racing in the state of Washington.

Ms. O'Connell said many times this is done behind closed doors; if someone is potentially dangerous and is on the backside; gives forewarning, potentially gives the horsemen the ability to watch out for the safety of the horsemen. Mr. Moore said the conditions would be spelled out in the ruling and is posted. Ms. O'Connell said sometimes they don't see the rulings; maybe someone could communicate to them directly by the board of stewards. She said it would be nice to have that communication.

Mr. Moore said there is no longer a need for WHRC Policy Statement 2007-05 Denial of application/revocation of license and licenses with conditions and recommended revocation.

Commissioner Colliton moved to revoke WHRC Policy Statement 2007-05. Commissioner Lopez seconded the motion. Unanimously approved.

Item #8. National Racing Compact on medication – Possible legislation.

Mr. Moore said this had been touched on earlier and for the Commissioners review and consideration, he presented the legislation. Mr. Moore said he had also given Mr. Meader, AAG, the language. Mr. Moore said this language has been approved in Maryland and Mr. Meader will also be looking at that. Mr. Moore said agency request legislation must be filed by September to be considered. Mr. Moore said in order to make any change to regulations by the compact a super majority or 80% would be needed.

Commissioner Colliton asked how many states have moved on this. Mr. Moore said he had contacted Ed Martin, ARCI, but hadn't heard back. Mr. Moore said he'd know more at the July ARCI meeting. Commissioner Colliton asked if that would give enough time to be able to submit to the Legislature. Mr. Moore said he believes that we can do that. Commissioner Lopez said he thought that the language could begin at the code reviser now, because it would not change; he also said he thought that only one chamber could be lobbied at a time. Mr. Moore said he would check into that. Chairman Macomber asked about language. Mr. Moore said we have to adopt the same language as has been adopted in Maryland. Mr. Moore said California is looking at it and also Colorado, Indiana and Illinois. Mr. Moore said the Mid-Atlantic States already have a similar compact; they may move to the national compact. Commissioner Lopez said hopefully we can have a discussion at the ARCI meeting, and have an opportunity to speak. He's seen rules stop in motion because of concerns. He also asked Mr. Moore how this affects current rule making in WA; what is the process for when it is in effect, is it immediate or is there a delay. Ms. O'Connell said her main concern was that this won't allow the "tweaks" that we do here, for example, purse structure and things being taken into consideration on penalties and things like that, and what will it do to Washington racing. Mr. Moore said he's brought that up several times; that if this is not a part of this component; he would not agree to this if it involved things like setting penalties different than in Washington. He could not support this. Representative Schmick said to carefully consider how much authority you will be giving away; that is something to consider. Mr. Moore said we will be looking closely at this; this is a real issue with this if it is tied to the Interstate Compact. Mr. Moore said that is preliminary and not on the table right now. Chairman Macomber said that is basically on thresholds and prohibited medications. Mr. Moore said yes. He said at the July ARCI meeting he will get direction on where this goes, but wanted to get started down that road. Ms. O'Connell said this may make a faster process when thresholds are found to be wrong it can be fixed quicker.

Item #9. Executive Secretary's report.

Mr. Moore asked for approval to travel for one or all Commissioners to attend, the Washington Legislators day at Emerald Downs on June 16, 2018.

Commissioner Colliton moved to approve to have one or all Commissioners attend. Commissioner Lopez seconded the motion. Unanimously approved.

Mr. Moore said he also wanted to inform the Commissioners that the WHRC is joining in a two year research study with Gluck Research Center having to do with increased inflame in blood with

catastrophic injuries. Ms. O'Connell said she had talked with Dr. Tobin on this and you would need to get two samples for the study. Mr. Moore said Dr. Friedman would be talking to the practicing vets to get second control sample.

- a. Wagering recap. Mr. Moore reviewed the wagering for April, he said it was down significantly due to only 3 live days in April to start this year. He said May is up 2.5 percent; for the race year, down 7.92 with eight less race days; for the fiscal year down 2.52 percent, down six live days.
- b. Monthly Financial Statement. Mr. Moore reviewed the revenue and expenditures and said March was overspent by \$38,000, but April increased \$2700. He said the major difference from last year was that some of the grant money was paid in February, but this year all grants were paid in March. He said the fund balance at the end of April is \$756,786. Mr. Moore said we did get the FTE reduction, but won't take effect until July 1, 2019 to see any savings. Mr. Moore said license sales have made up since the last report at the last meeting.

Commissioner Lopez asked about a backup vet. Mr. Moore said Dr. Bergam will not be available 2-3 weekends this year and Dr. Friedman wants off one weekend this year. He said that Dr. Hagerman was not available; Dr. Eilbeck was not available; and Dr. Tooman will be available some of the dates. Mr. Moore said two Vet Technicians have been hired to draw blood and give a Lasix shot if needed; one is an ex vet assistant and knows how the test barn works; and the other works on large animals at an equine clinic and is willing to work. Mr. Moore said the stipulation for a Vet Technician to be able to draw blood and give shots is that there has to be a Vet on the track. Ms. O'Connell said a vet tech is fully capable of doing that job.

Commissioner Colliton said he would check in Eastern Washington for any vets that may be available and get back to Mr. Moore. Mr. Moore said he appreciates any contacts.

Commissioner Colliton asked if there was any discussion on Sports betting before he arrived. Chairman Macomber said no.

Mr. Ziegler reported on Emerald Racing Club; they had three horses; one was claimed and one had a win; nothing entered this weekend; five starts with one win. He believes they are trying to get back to three horses. Chairman Macomber said he thought one of their horses won on the Auburn Handicap day. McDove won a race in a group that formed from the club Zanab won eleven to one from Larry Ross. Mr. Ziegler said the club went to see Blue Ribbon Farm, getting an education.

Mr. Moore said he'd received an email from Blue Mountain racing about the Waitsburg race track; Mr. Moore said they were hoping to get something for their future, but have not heard back from them. Mr. Moore indicated that if a representative was requested at a meeting that either himself or Commissioner Colliton could perhaps attend. Mr. Moore said he and Amanda Benton, Deputy Secretary had met with the other gambling agency's to catch up on what's happening in the gaming industry. He said they've received no direction from Governor's office regarding the trust land filing.

Item#10. Any other business.

Hearing none, Chairman Macomber adjourned the meeting. 11:02 A.M.

Doug Moore, Executive Secretary