

Washington Horse Racing Commission  
Meeting Minutes  
November 8, 2019  
9:30 A.M.

Present were: Chairman Everett Macomber, DVM; Robert Lopez, Commissioner; Commissioner Claude Ragle, DVM; Senator Phil Fortunato, Legislative Ex-Officio Member; Representative Joe Schmick, Legislative Ex-Officio Member; Doug Moore, Executive Secretary; Patty Brown, Confidential Secretary.

Chairman Macomber announced that due to fog and their flight being rerouted to Portland, the WSU Necropsy presentation would not be heard today. He said their report would be rescheduled for another meeting.

Item #1. Approval of the meeting minutes of October 11, 2019.

Commissioner Lopez moved to approve the minutes as submitted. Commissioner Ragle seconded the motion. Unanimously approved.

Item #2. Commissioner's Reports.

Commissioner Ragle and Commissioner Lopez had nothing to report. Chairman Macomber said he had watched the events for the Breeders Cup. He mentioned the unfortunate mishap on the last race. Mr. Moore said he hadn't heard any reports on the incident yet.

Item #3. Industry Reports:

- a. Emerald Downs. Phil Ziegler, President, reported the Breeders Cup handle was up; they had a good crowd; the facility was full on Friday and Saturday. They are busy with seasonal banquets. He mentioned the annual Holiday gift fest was happening this weekend; 10-4 on Saturday; with 109 vendors. He also mentioned Auburn's Veterans Day celebrations scheduled for Saturday.
- b. WHBPA. Pat LePley, President, reported he had done a lot of work in last week with his Board and Emerald Downs management discussing rule changes that will hopefully bring more horses to Emerald Downs; purse increases; and they fully support Emerald Downs' 2020 request for dates. He said some of the changes covered the meet ahead; and some that are on the agenda in January with the Commission. He said the National HBPA is watching the federal legislation that continues to pick up sponsors and National has stepped up their lobbying efforts. They've been meeting with Senators and Representatives. The legislation has really picked up some steam; but it's facing some tough opposition in Senate. Colorado voted to pass Sports Wagering with 51.4 percent in favor; they will have this in their bars, card rooms and will also have a

license that includes the race tracks in Colorado. Ms. MaryAnn O'Connell, Executive Director, HBPA said she had attended the National executive meeting. They focused mostly on the lobbying efforts. She said most legislators have no idea what they are voting on, this is the big problem.

- c. WTBOA. Ms. Anne Sweet, Magazine Editor, said Dana Halvorson, President, was in Keeneland at a sale. She said they've been working on the stallion auction. In terms of numbers, it is status quo. She said the Stallion auction is one of their major fund raisers; it funds the sales incentive bonuses. The auction is online and scheduled for one week in December. The Board meets on December 6<sup>th</sup>; it will be a joint meeting with the HBPA. She said there be more to say after that meeting.
- d. Sun Downs. Shorty Martin said he didn't have much to report. There's been no decision on whether Kennewick will run next year. Mr. Moore asked if there was a time frame, Mr. Martin said possibly this month maybe by Thanksgiving.

Item #4. Emerald Racing LLC – dates request – 2020 (Action Item).

Mr. Moore presented the Emerald Downs 2020 dates request. Mr. Ziegler said they are requesting a 63 day race meet commencing on Saturday, April 18 and concluding on Sunday, September 20, 2020. They are requesting a 6:50 P.M. post time on Friday's ; a 2:00 P.M. post time on weekends and holidays, with a special 5:00 P.m. post time on Saturday's starting June 13 through the end of the meet and this special post time also includes Friday, July 3, 2020. Mr. Ziegler said there will not be any four day race weeks; and no Friday racing after August. Mr. Ziegler said he and Jack Hodge are traveling to Turf Paradise and will attend the RTIP Symposium in Tucson hopefully to attract more horses to Emerald Downs with a proposed incentive they've planned.

Commissioner Ragle moved to approve the 2020 race dates for Emerald Downs. Commissioner Lopez seconded the motion. Unanimously approved.

Item#5. WSU Necropsy presentation – Dr. Josh Ramsey & Dr. Tom Wilkinson. Cancelled for a later date.

Item #6. End of the Meet Reports-

- a. Equine Health & Safety Report. Dr. Ron Friedman, WHRC Equine Medical Director, presented the Equine Health and Safety Report. This report will be placed on the WHRC webpage and also made a part of the record.

Senator Fortunato asked Dr. Friedman who had reported on a meth positive, how it got transferred to the horse. Dr. Friedman said it tested positive because the assistant trainer that handled the horse had it either on his hands when he handled the horse or its feed. Mr. Moore said every handler of this horse that day was tested. Dr. Friedman talked about the use of ice prior to the morning exams needed to be addressed and that would require a rule change. He would prefer that icing not to be done within one hour of the exam and not be at all prior to the exam.

Dr. Friedman also spoke on the privacy of vet records required by the Washington Board of Veterinary Governors is where the need to make the rule change to allow the viewing of horse's treatments by other Veterinarians.

Commissioner Ragle thanked Dr. Friedman for his yearend report and said this was very valuable information. He said he is also very supportive of his recommendations. Mr. Moore said the full amended report would be available on the WHRC web page. Senator Fortunato said Dr. Friedman had made a great presentation. Chairman Macomber said one note of consideration, page 13, the statement on IA (Intra Articular)CS (Corticosteroid) injections says there is a national proposal which would require a fourteen day stand-down after IA injections, along with a 48 hour administration for NSAID (Non-Steroidal Anti-Inflammatory Drugs). Chairman Macomber praised Dr. Friedman on a great job. Mr. Moore said after Dr. Friedman makes some edits the webpage will have the final document.

Mr. Hodge asked of the 65 horses on the Veterinarians List (VL), do you keep the data; on why some didn't return; he felt this to be a large percentage, when 48 horses don't return. He would like to know the varying issues that were responsible for putting the horse on the VL in the first place. Commissioner Lopez asked Dr. Friedman if any of those horses were on the VL last year. Dr. Friedman said no.

- b. Stewards End of Meet Report. Ken Doll, Presiding Steward, gave an overview of the end of meet Stewards report. Mr. Doll touched on highlights of the race meet and would answer any questions. Commissioner Lopez asked if there was much feedback from report or from the new Twitter account created by Steward Vince Funk. Mr. Doll said he had gotten none. He didn't think there were many followers yet, but they will be using it again next year. Mr. Moore said one of our Steward's reports had received national notoriety as an example of what details should be utilized when writing a report. The report was made a part of the record and would be placed on the WHRC webpage.

Item #7. Adoption hearing - WAC 260-36-085 License Fees (Action Item).

Mr. Moore said based on the yearly license fee study and the Commission revenues, the amendment to this section would raise license fees by fifteen percent across the board. This increase is expected to generate approximately \$24,000 in revenue; although with this increase, the revenue will still fall short of the cost of the program by about \$8,000. The WHRC has not increased fees since 2011. Staff received two comments from stakeholders that stated although they didn't want an increase; they understood the need for it. Staff recommended approval. Chairman Macomber asked if a proforma had been prepared to support the need for increase. Mr. Moore responded yes, Ken Mitchell, WHRC Financial Manager had prepared the report detailing the need. Commissioner Ragle moved to approve the amendment raising license fees fifteen percent across the board in WAC 260-36-085 License Fees as submitted. Commissioner Lopez seconded the motion. Unanimously approved.

Item #8. Prohibiting horses that have been heel nerved from racing (Discussion item).

Mr. Moore said he had included two different drafts in the Commission handouts stating he was asking today for the Commissioners to review and take comments from stakeholders. Mr. Moore said Dr. Friedman was proposing option 2, which would ban a trainer from entering or starting a horse that is not physically sound, trachea-tubed, digital neurectomy performed, or impaired eyesight in both eyes,

or treated by extracorporeal shock wave therapy or radial pulse wave therapy other than what is allowed in WAC 260-70-545(4). Mr. Moore said that he will bring this back to the Commission in January and will be asking which draft would be preferable to make amendments or leave the rule as is.

Chairman Macomber asked if Dr. Friedman feels there is adequate reporting of heel nerved horses. He said there is no way to assess this and it wouldn't change with amendment. Mr. Moore said Dr. Friedman would have a written comment soon and he would get them to the Commissioners. Commissioner Lopez asked if this procedure was permanent. Dr. Friedman said yes, it is done usually because a horse has a lameness or injury normally in the coffin bone and that part of the nerve causes pain and heel nerving removes the sensation for pain. Ms. O'Connell said this is not found a lot here; a regulatory Veterinarian has the discretion to say whether this horse should run or not. She is not in favor of any change and felt that this was due to one incident. She doesn't want to make a change on one isolated incident. Mr. LePley said the current rule will still give the Veterinarian the ability to scratch a horse; that doesn't change. The rarity of any horse having this done is infinitesimal. Mr. Moore said Dr. Friedman will put thoughts his together on why this is important; the sharing of records between the regulatory veterinarians and practicing vets have greatly improved.

Dr. Friedman said there's no link between heel nerved horses and catastrophic injuries; he talked to the Veterinarian that did surgery on this one horse and found no problem with soundness; he saw an unusual gate; two veterinarians looked at the horse and didn't know why it was moving in that manner, but now they do know. The horse raced one time at the meet and was gone after that. He stated that this is not only a VL issue; but an integrity of racing issue. He felt that it would not be a good choice to simply take the section out that would require the regulatory veterinarians approval if heel nerving is allowed. Chairman Macomber said to take look at the proposed language; this will be considered at the next meeting. Mr. Moore said he will bring this back in January and then decide which way would they would like to go. He said he would also be gathering information and he would get it to Commissioners.

Item #9. Owners/Breeders Awards update.

Mr. Moore said the calculations have been made and the percentage factors are in your packet and also a handout. Mr. Moore said we are waiting for Emerald Downs to transfer the funds and hopefully the awards will be out by November 15. Commissioner Lopez asked if the awards were more or less than last year. Mr. Moore said the Breeders are down between \$4 to-5,000; Owners are same.

Item #10. Executive Secretary's report.

Mr. Moore reported the new rates for Labor & Industries (L&I) for the Horse Industry Account for 2020 and they are going up slightly. He said the WHRC is working with OFM and may be able to take debit/credit cards for license and L&I payments. We hope to have this in place by December 15 when we start the 2020 licensing. Mr. Moore said the WHRC is hosting a bi-yearly Steward Continuing Education Class November 12th and 13th. He said the TRPB will be present to provide information on micro chipping and the use of digital tattoos for horses for next year. It will be at Emerald Downs, 5<sup>th</sup> floor, in the Council Room.

- a. Wagering recap (October 2019). Mr. Moore recapped the advance deposit wagering for October 2019 showing a decline 7.65 percent; for the down 1.81 percent; Mr. Moore said at the last meeting one day left off the report for the race year figures; attached is a revised report showing a decline of 1.81 percent; and for October a decline of 10.11 percent. Mr. Moore said

there is no race year report until the calendar turns to 2020 to report correctly. The fiscal year report shows a decline of 5.27 percent.

- b. Monthly Financial Statement. Mr. Moore reviewed the revenues and expenditures reporting for September expenses were \$192,287 with revenue of \$113,375; resulting in a loss of \$78,912. The projected fund balance by September 2020 is estimated to be \$517,415, looking at losses and increases throughout the rest of biennium the estimated projections for end of this fiscal year for fund balance shows it to be \$535,124; by the end of biennium the fund balance will be down to \$360,642 well below the minimum operating requirement.

Mr. Moore reported on the agency request legislation. He has removed the handicapping legislation portion as this seemed to be hindering any consideration. He had checked on the legislation and found that it had been moved out of Office of Financial Management purview and is now at the Governor's office for consideration. He is expecting to hear back by December. Mr. Moore said he is continuing to meet with more representative and senators to discuss this legislation. Commissioner Lopez inquired about the proposed WHRC decision packet. Mr. Moore said he was hopeful that the Governor might place this in his budget package. He said this Legislation simply removes the restrictive language on funding.

Item #11. Discussion Items – Commissioners.

Commissioner Lopez said he had nothing further for discussion. Commissioner Ragle said he also had nothing further. Commissioner Lopez asked Mr. Moore if any ARCI materials could be printed and mailed to him.

Item #12. Any other business that may be properly brought before the Commission.

Chairman Macomber hearing none; adjourned the meeting at 11:12 A.M.

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Doug Moore, Executive Secretary