

WHRC Commission Meeting  
October 14, 2022  
At Emerald Downs  
Meeting called to order at 9:30 a.m.

Item #1. Approval of the meeting minutes of September 9, 2022.

Dr. Macomber, move to approve, Dr. Ragle, 2<sup>nd</sup>- motion carries

Item #2. Commissioners' reports.

Nothing to report

Item #3. Industry Reports.

a. Emerald Downs report;

Wrapping up the meet and numbers, things were back to normal and there was good weather all year. Working on a date request for next year, will be ready by the next meeting. Request that they open on Kentucky Derby day so that will most likely be opening day next season.

Legislative Day went well, Emerald received overwhelming positive feedback from those that attended. They mentioned that they were impressed with the number of kids and families here.

b. WHBPA report;

Pat LePley- The HBPA has spent a lot of time on HISA. Not a lot has changed. The fees for 2023 have not been submitted

Had a post race meeting with Phil Ziegler and Jack Hodge that was a good meeting overall. The HBPA is aware of two appeals from Emerald Downs regarding whip rule and HISA, it is felt that it may be impossible to enforce uniformly. They have spent time working on legislation.

Al Ralston will be retained for the next session. Doing everything we can to save racing in Washington State. There seems to be a more diverse group of legislators to support the legislation this session. Spoke with the office of Representative Kim Shrier and Representative Cathy McMorris-Rogers and both staffs seemed supportive and will be interested in co-sponsoring HISA legislation which would extend the enforcement dates of HISA rules into 2024. Representative Adam Smith staff was also contacted.

Representative Schmick reported that he felt that the industry will be successful this year with the legislation.

c. WTBOA report; and

Dana- A WTBOA Sales meeting is scheduled today, they will be going over post sales. The election for the Board for next year is coming up, they are looking for nominees, if you are aware of anyone that is a member and would be interested, we could use people.

Dana reported that he had attended the Keeneland sale in September, it was up about 15%. The strong sale shows that people are still excited about the horse racing industry.

d. Sundowns report

Nothing to report.

Item #4. Emerald Downs Handicapping Contests Report

Emerald Downs offered three handicapping contests. All were no entry fee contests. The winners were reported, and all requirements were met.

Item #5. HISA/Drug Free Sport update

The agreement that we signed this spring expires tomorrow so we will have to address that prior to the 2023 live race season.

We are expecting a request from HISA/Horseracing Integrity and Welfare Unit (HIWU) to enter into an agreement for the sample collection and drug testing programs.

We had an informational meeting with Ben Mosier and their staff in late September with some general discussion about how they see this working and the commission's role. Discussion items were, anticipated staffing levels (vets and vet assistants), submission of samples would most likely continue to our contracted lab, positive reports would go directly to HIWU, the Board of Stewards would no longer be involved in hearing cases. They may possibly use WHRC investigators in some fashion. The Stewards may still be involved in selecting horses other than winners for testing. There would be some credit given back to the industry for using commission and State resources.

It is being reported that it will be early November before we get 2023 assessments. We have still not received any draft of a voluntary agreement. Dr. Macomber asked about the HISA overhead. HISA has not submitted any type of documentation indicating their budget and costs. Dr. Macomber asked about the legislation and if it were to pass could that assist with the fees to the industry. Pat LePley reported that they may run two pieces of legislation to address the HISA fees.

Item #6. Hearing before the Commission, 2022-08 – Alejandro Anaya

Mr. Anaya failed to appear, and Chair Lopez moved to place a Final Order of Default, Dr. Ragle-2<sup>nd</sup>, motion carries.

Item #7. Stewards End of the Meet report for 2022. Ken Doll, Presiding Steward

Emerald has done an exceptional job this year with promotions and with incentives to attract horsemen.

HISA has been a struggle, was enacted in the middle of the meet. The Board of Stewards dealt with mostly riding crop violations. There are two appeal hearings with HISA scheduled.

The Emerald Racing Club returned and got a full introduction into racing as they had a horse disqualified, and a claim voided which brought light to the rules for owners.

Chairman Lopez asked how long did it take for the jockeys to get this whip rule down? Mr. Doll reported that it was sporadic all season, and that were a few that took longer than others. Chair Lopez asked about any ruling that included loss of purse. Mr. Doll reported that there was one and it was under appeal.

Dr. Ragle asked if the whip supply was adequate. Mr. Doll reported that it was.

Dr. Macomber asked about the number of claims. Mr. Doll reported that there were 152 claims once HISA rule was implemented. Mr. Moore stated that the impact of the void claim rule will most likely be included in the Equine Medical Directors report.

Darrell Farwell, Investigator wanted to thank the Emerald Security for the cooperation between them and the WHRC staff. It has gotten increasingly better and that we had an exceptional year. A rapport was built with everyone, all worked together as a team.

Mr. Moore reported that Investigator Darrell Farwell had been selected by the Breeders' Cup to work this years Breeder's Cup in Keeneland. There are 30 investigators that are selected to form the unit and Mr. Farwell's selection indicates the good work that he does and the connections he has made within the industry.

Item #8. Executive Secretary retirement/replacement

With the announcement of Executive Secretary Doug Moore's retirement which will be effective February 1, 2023, a replacement will be needed. Chairman Lopez moved that Amanda Benton replace Doug Moore at the current salary. Dr. Macomber, move to approve, Dr. Ragle, 2<sup>nd</sup>-motion carries.

Item #9. Annual Review of Source Market Fee

The history of the SMF shows that it has moved over the years from 7.5% to 10.0% to the current 5.5%. Staff will be proposing to amend SMF fee based on pari-mutuel tax adjustment which will return to 1.3% on January 1, 2023, from the current 1.803% based on the \$50,000,000 threshold required by RCW. A special meeting will be called in late November or early December.

Item #10. Update on Washington Bred Owners/Breeders Awards

Currently working on the factors and payouts and are hoping to have the bonus money out late October early November. The owners bonus fund will be \$410,160.33 and the breeders bonus fund will be \$210,755.78. Both were slight increases from 2021.

Item #11. WHRC Meeting Dates for 2023

Chairman Lopez, move to approve, Dr. Ragle 2<sup>nd</sup> – motion carries.

Item #12. Executive Secretary's Report

- a. Wagering Recap (September 2022)
- b. 2022 Live Meet Wagering; and
- c. Monthly Financial Statement (August 2022)

Wagering for September was up by 1.6% with one less live day of racing from 2022. ADW for August was down 3.3%. The live meet wagering was up 9.6% with 52 live race days, compared to 47 live race days in 2021. Revenue came in over projections and expenses came in under. There was still an operating loss which is expected during full staff and live racing season. The fund balance now sits at \$948,409, with two more months of losses are anticipated. The fund balance is projected to be at slightly over \$800,000. Staff is working with budget analyst Seth Flory to determine what the total expenses were for the equine testing program, including salaries and benefits and laboratory costs in preparation for the HISA fee submissions.

Mr. Moore reported that the new staff employed in 2022, particularly Trevor Baze and Alexis Warner in the identification and receiving barn department, went extremely well.

Item #13. Travel for University of Arizona Racing Symposium and ARCI Winter meetings.

The recommendation was for Amanda Benton to attend both the ARCI meetings and the U or A Symposium and Doug Moore would attend the ARCI meetings.

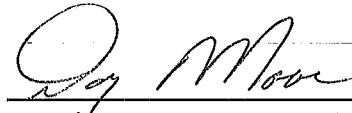
Dr. Macomber, move to approve, 2<sup>nd</sup> – motion carries.

Item #14. Discussion items - Commissioners

Item #15. Any other business that may be properly brought before the Commission.

The next regular meeting of the Commission will be held on October 14, 2022, at 9:30 a.m. at Emerald Downs and via Zoom.

Meeting adjourned at 10:23 a.m.

A handwritten signature in black ink, appearing to read "Douglas L. Moore", written over a horizontal line.

Douglas L. Moore, Executive Secretary