



# WHRC Commission Meeting

- Location:** Emerald Downs, 2300 Ron Crockett Drive, Auburn WA 98001, 5<sup>th</sup> Floor Tribal Council Room and Zoom Video Conference
- Date:** January 19, 2024
- Call to Order:** 9:30 am (PT)
- Adjourned:** 10:13 am (PT)
- Attendees:** Chair Robert Lopez, Commissioner Douglas Moore, Commissioner Dr. Claude Ragle (via Zoom), WHRC Executive Secretary Amanda Benton, Deputy Secretary Ann-Kathrin Zemann, Confidential Secretary Melanie Bowdish

## Agenda items

### 1. Election of WHRC Chair

Chair Robert Lopez served as a chair for the last four years. Commissioner Doug Moore suggested that Robert Lopez remains the chair for the next term. Commissioner Dr. Ragle seconded the nomination of Robert Lopez. It was moved and seconded that Robert Lopez remains the chair for the Washington Horse Racing Commission for the next term. Motion carried.

### 2. Approval of the Meeting Minutes of November 9, 2023, and the December 6, 2023, Special Meeting

Commissioner Doug Moore moved to approve the November 9, 2023, Meeting Minutes. Commissioner Dr. Ragle seconded. The November 9, 2023, Meeting Minutes were approved.

Commissioner Dr. Ragle moved to approve the December 6, 2023, Meeting Minutes. Commissioner Moore seconded. The December 6, 2023, Meeting Minutes were approved.

### **3. Commissioners' Reports**

Chair Robert Lopez had nothing to report.

Commissioner Doug Moore is preparing documents for the ARCI conference in March. WHRC Executive Secretary Amanda Benton and Commissioner Doug Moore will attend the conference in person.

Furthermore, Amanda Benton, Doug Moore, Al Ralston and Pat LePley met with Senator Kaufmann regarding the legislation and for some assistance in funding.

Commissioner Dr. Ragle had nothing to report.

### **4. Industry Reports**

#### **a) Emerald Downs**

Phil Ziegler gave the industry report for Emerald Downs. Joe and Sally Steiner are retiring from operating the Quarter Chute Café. Bob Fraser is currently hiring staff for Emerald Downs to operate the Quarter Chute Café. Track announcer Bill Downes will not be calling the races in the upcoming season. Thomas Harris will be the track announcer for the 2024 season. Emerald Downs is in a holding pattern regarding operating the test barn this upcoming season. The first day of training is February 26, 2024. The barn area is open starting February 23, 2024.

#### **b) WHBPA**

WHBPA President Pat LePley gave the industry report for the WHBPA.

The WHBPA is currently working on the legislation. Pat LePley, Doug Moore and Amanda Benton met with Senator Kaufmann. LePley also had meetings with Senator Stanford. The key to this legislation is passing it out of the senate and getting it to the house. If the legislation gets approval in the senate, the chances are very strong for the bill to succeed. The content of the bill will be funding for the WHRC, as well as covering the HISA assessment fees. LePley also recommended sending emails to the key senators on this: Senator Robinson, Senator Mullet, Senator Stanford and Senator Kaufmann. It would send a signal that the industry cares about this legislation. The bill number is ESSB5598.

Furthermore, the WHBPA will meet with the management of Emerald Downs to discuss the purse schedule for the upcoming 2024 season.

#### **c) WTBOA**

Nothing to report.

### **5. Class C Purse Fund Update**

WHRC Executive Secretary Amanda Benton reported on the parimutuel wagers distribution from January 1, 2023, to December 31, 2023. For the year 2023, there was \$47,476.52 deposited into the Class C Purse Fund. This brings the total amount collected for Class C Purses since 2019 to \$244,295.93. Combined with the interest earned on the account, the total amount is \$254,075.22. Amanda Benton reached out to DES and OFM regarding this fund, since Washington did not have Class C racing since 2020. Any plans for repurposing the fund require legislation from the agency. Chair Robert Lopez recommended waiting with any decisions until the next legislation.

## 6. HISA and/or HIWU Voluntary Agreement

For 2024 Washington's HISA assessment gross is \$713,340. The potential credit for HIWU-authorized collection personnel, if the industry runs the test barn, is \$221,000, as well as an additional potential credit for out-of-competition testing collection of \$34,000. If Washington gets all the credits the potential assessment fee would be \$458,340.

There are three options outlined for the commissioners to consider:

Option 1: Decline to negotiate a voluntary agreement with HISA or HIWU. HISA/HIWU will be responsible for staffing of all personnel necessary to enforce HISA safety rules and the Anti-Doping and Medication Control Program. Emerald Downs would be responsible for paying the entire \$713,340 assessment fee.

Option 2: Negotiate a voluntary agreement with HISA to enforce the safety regulations only. This was the option the WHRC chose in 2023. Emerald Downs signed an agreement with HIWU in 2023 and hired the test barn personnel.

Option 3: Negotiate voluntary agreements with both HISA and HIWU to enforce both the safety rules and ADMC. This option lowers the cost of the assessment fee to the industry to \$458,340 and moves the cost of the test barn personnel back to the WHRC.

Commissioner Doug Moore's recommendation was to negotiate an agreement with both HISA and HIWU, especially emphasizing that the WHRC will be updated on any information regarding disqualified horses, testing, etc.

Commissioner Moore moved to authorize Executive Secretary Amanda Benton to enter a negotiation with HISA and HIWU on a joint agreement to not only enforce the safety rules but to also operate the test barn. Commissioner Dr. Ragle seconded that motion. Motion carried.

## 7. Approval of Split Sample Laboratories

The WHRC needed to approve split sample drug testing laboratories for non-covered Quarter Horse races.

The RMTC approved laboratories are:

- Animal Forensic Testing Laboratory, University of Illinois at Chicago
- Kenneth L. Maddy Equine Analytical Chemistry Laboratory, University of California – Davis
- Analytical Toxicology Laboratory, Ohio Department of Agriculture
- New York Drug Testing and Research Program, Morrisville Auxiliary Corporation
- Pennsylvania Equine Toxicology and Research Laboratory, Pennsylvania Department of Agriculture
- University of Kentucky Equine Analytical Chemistry Laboratory

Commissioner Dr. Ragle moved to approve the split sample laboratories for 2024; Commissioner Moore seconded. Motion carried.

Commissioner Moore recommended to put in the agreement that HISA/HIWU provide the WHRC with any adverse findings and rulings in electronic form.

**8. Executive Secretary's Report**

**a. Wagering Recap (November/December 2023) and**

Wagering was down 6.3% in the month of November, a difference of \$222,467.40. In December, the in-state handle was almost 10% up, which was \$280,433.00. In-state handle did not hit the 50-million-dollar mark, which means that the parimutuel tax for 2023 has increased from 1.3% to 1.803%. Advanced Deposit Wagering for October was down significantly, just over \$1,500,000, a decrease of 17.6%. In November, Advanced Deposit Wagering was down 3.6% from the prior year.

The WHRC Source Market fee not collected since July 2023 totals \$283,197.07.

**b. Monthly Financial Statement (October/November 2023)**

The combined October and November revenue was \$15,000.00 less than expected and expenses were \$21,000.00 more than expected.

The fund balance at the end of November was \$1,383,874.00 with a projected balance throughout the biennium now sits at \$578,054.

**9. Discussion Items – Commissioners**

Chair Robert Lopez inquired about the update on implementing a new licensing system for the WHRC. Deputy Secretary Ann-Kathrin Zemann is currently being trained for doing an RFB.

Chair Robert Lopez is intending to attend the ARCI meeting in March.

**10. Any other business that may be properly brought before the Commission**

Nothing to report.

The next meeting of the Washington Horse Racing Commission will be held on February 9, 2024, at 9:30 am at Emerald Downs and via Zoom.



Amanda Benton, Executive Secretary