

MEETING  
STATE OF CALIFORNIA  
HORSE RACING BOARD

In the Matter of )  
 )  
Regular Meeting )

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SANTA ANITA PARK RACE TRACK  
BALDWIN TERRACE ROOM  
285 WEST HUNTINGTON DRIVE  
ARCADIA, CALIFORNIA

THURSDAY, JANUARY 16, 2014

2:00 P.M.

Reported by:

APPEARANCES

COMMISSIONERS

Chuck Winner, Chairperson

Bo Derek, First Vice Chair

Richard Rosenberg, Second Vice Chair

Jesse Choper

Steve Beneto

George Krikorian

Madeline Auerbach

STAFF

Robert Miller, Staff Counsel

Jacqueline Wagner, Regulations/Legislation Manager

Rick Arthur, Equine Medical Director

ALSO PRESENT

Richard Castro, Pari-Mutuel Employees' Guild

John Bucalo, Barona Casino

Craig Dato, California Marketing Committee

Shannon McDonald, California Marketing Committee

Tom Robbins, Del Mar Race Track

Daniel Schiffer, PCQHRA

Ben Kenney, Watch and Wager

Rick English, Los Alamitos Race Course

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1. Closed Session: For the purpose of receiving advice from counsel, considering pending litigation, reaching decisions on administrative licensing and disciplinary hearings, and personnel matters, as authorized by section 11126 of the Government Code. 4  
A. The Board may convene a Closed Session for the purposes of considering personnel matters as authorized by Government Code section 11126, (a).
2. Discussion and action by the Board regarding the announcement of closed session Board action, and roll call vote thereon, to hire an Executive Director.
3. Approval of the minutes of November 21, 2013. 5
4. Approval of the minutes of December 12, 2013. 5
5. Public Comment: Communications, reports, requests For future actions of the Board. Note: Persons 6

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addressing the Board under this item will be restricted to three (3) minutes for their presentation.

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| 6. | Public hearing and action by the Board regarding the proposed amendment to CHRB Rule 1658, Vesting of Title to Claimed Horse, to provide that a claim shall not be voided by the stewards if prior to the race the claimant elects to claim the horse regardless of whether the racing or official veterinarian determines the horse will be placed on the Veterinarian's List as unsound or lame. (Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.) | 12 |
| 7. | Discussion and action by the Board regarding a report from the California Marketing Committee (CMC) regarding its 2014 marketing and promotion plans pursuant to Business and Professions Code section 9605.73 (b).  | 13 |
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| 9.  | Discussion and action by the Board regarding the report and update from the night industry concerning the status of the agreement regarding 1) the night industry's advance deposit wagering (ADW) imports split rate on races conducted after 6:00 p.m. during the 2013 racing year and 2) the allocation and distribution of advance deposit wagering (ADW) harness funds generated pursuant to Business and Professions Code section 19604(f)(5). | 35 |
| 10. | Report from the Medication and Track Safety Committee.   | 37 |
| 11. | Report from the Northern California Race Dates Ad Hoc Committee.   | 39 |
| 12. | Discussion and action by the Board regarding the allocation of the Northern California 2015 racing calendar and related issues for 2015.   | -- |

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13. Closed Session: For the purpose of receiving 41  
advice from counsel, considering pending litigation,  
reaching decisions on administrative licensing and  
disciplinary hearings, and personnel matters, as  
authorized by section 11126 of the Government Code.
- A. The Board may convene a Closed Session to  
confer with and receive advice from its legal  
counsel regarding the pending litigation  
described in the attachment to this agenda  
captioned "Pending Litigation," as authorized  
by Government Code section 11126(e).
- B. The Board may convene a Closed Session to  
confer with and receive advice from its legal  
counsel regarding the pending administrative  
licensing or disciplinary matters described in  
the attachment to this agenda captioned  
"Pending Administrative Adjudications," as  
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- C. The Board may convene a Closed Session for  
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as authorized by Government Code section  
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P R O C E E D I N G S

?:?? a.m.

PROCEEDINGS BEGIN AT ?:?? A.M.

(The meeting was called to order at ?:?? A.M.)

ARCADIA, CALIFORNIA, THURSDAY, JANUARY 16, 2014

MEETING BEGINS AT ?:?? A.M.

CHAIR WINNER: Let me start by reading the  
necessary document.

This meeting of the California Horse Racing Board  
will come to order. Please take your seats. This is the  
regular noticed meeting of the California Horse Racing Board  
on Thursday, January 16th, 2014 at the Santa Anita Park Race  
Track, 285 West Huntington Drive, Arcadia, California.

Present at today's meeting are myself, Chairman  
Winner, First Vice Chair Bo Derek, Second Vice Chair Richard  
Rosenberg, Commissioner Madeline Auerbach, Commissioner  
Steve Beneto, Commissioner George Krikorian, and  
Commissioner Jesse Choper will be joining us shortly.

Before we go on to the business of the meeting I  
need to make a few - a few comments. The board invites  
public comment on the matters appearing on the meeting  
agenda. The board also invites comments from those present  
today on matters not appearing on the agenda during the  
public comment period if the matter concerns horse racing in

1 California.

2           In order to ensure all individuals have an  
3 opportunity to speak and the meeting proceeds in a timely  
4 fashion, I will enforce the three-minute time limit for each  
5 speaker. The three-minute time limit will be enforced  
6 during discussion of all matters as stated on the agenda, as  
7 well as during the public comment period.

8           There's a public comment sign-in sheet for each  
9 agenda matter on which the Board invites comments. Also,  
10 there are sign-in cards for those wishing to speak during  
11 the public comment period for matters not on the Board's  
12 agenda if it concerns horse racing in California. Please  
13 print your name legibly on the public comment sign-in sheet.

14           When a matter is open for public comment your name  
15 will be called. Please come to the podium and introduce  
16 yourself by stating your name and organization clearly.  
17 This is necessary for the court reporter to have a clear  
18 record of all who speak. When your three minutes are up the  
19 chairman will be asked to return to your seat so others can  
20 be heard.

21           When all the names have been called the chairman  
22 will ask if there is anyone else who would like to speak on  
23 the matter before the board. Also, the board may ask  
24 questions of individuals who speak. If a speaker repeats  
25 himself or herself, we will ask if the speaker has any

1 comments to make - any new comments to make. If there are  
2 none, the speaker will be asked to let others make comments  
3 to the Board.

4           So that's what is required. Now, first of all,  
5 let me wish everybody a happy new year. And let me  
6 introduce you to our new member, who we're all delighted to  
7 have on -- on the CHRB Board, Madeline Auerbach. I think  
8 many of you know Madeline, and I think applause would be  
9 nice. And those of you have worked with Madeline know that  
10 she's going to be a wonderful addition to the Board. And  
11 all of us on the Board are delighted to have her.

12           Now I'm going to make a couple of announcements.  
13 Some may be of surprise. Items number eight on the agenda,  
14 discussion and action by the Board regarding -- is that  
15 correct, eight --

16           MS. WAGNER: Yes.

17           CHAIR WINNER: -- yeah -- regarding the final  
18 disbursement of funds collected pursuant to Business and  
19 Professions Code section 19605.75 for the time period  
20 beginning January 1 through July 1 of 2014 will be put over  
21 until the February meeting.

22           Item number 12, discussion and action by the Board  
23 regarding the allocation of Northern California 2015 racing  
24 calendar and related issues for 2015 will be put over until  
25 the February meeting.



1           That vote was unanimous. And we welcome -- we  
2 will welcome in the near term Rick Baedeker as our new  
3 Executive Director. Okay.

4           Now, hopefully at the next meeting you'll be  
5 sitting up here with us, Rick.

6           (Colloquy Between Commissioners)

7           CHAIR WINNER: Rick? Rick, do you mind coming up  
8 here, just for a SEC?

9           (Colloquy Between Commissioners)

10          CHAIR WINNER: Okay. We'll go on then. Okay.  
11 Approval of -- the next item is the approval of the minutes  
12 from the -- from the November 21st meeting. Is there a  
13 motion to approve or is there any discussion?

14          VICE CHAIR ROSENBERG: I make a motion on the  
15 minutes.

16          CHAIR WINNER: It's moved by Commissioner  
17 Rosenberg -- Vice Chair Rosenberg. Is there a second?

18          COMMISSIONER KRIKORIAN: Second.

19          CHAIR WINNER: Seconded by Commissioner Krikorian.  
20 All in favor?

21          ALL COMMISSIONERS: Aye.

22          CHAIR WINNER: Any opposed? Okay. Next item,  
23 approval of the minutes of December 12th, 2013 minutes. Is  
24 there a motion?

25          VICE CHAIR DEREK: So moved.

1 CHAIR WINNER: Vice Chair Derek moves. Second?

2 COMMISSIONER CHOPER: Second.

3 CHAIR WINNER: Seconded by Commissioner Choper.

4 Any opposition? The minutes are approved.

5 Item number five, public comment, communications,  
6 reports, requests for future actions of the Board. Persons  
7 addressing the Board under the item will be restricted to  
8 three minutes for their presentation.

9 The first person on the list -- I think there was  
10 another one here, wasn't there? Yeah. John --

11 MR. CASTRO: Valenzuela.

12 CHAIR WINNER: -- Valenzuela. Oh, there he is.

13 MR. CASTRO: No, I'm not John Valenzuela.

14 CHAIR WINNER: No, I know that.

15 MR. CASTRO: My name is Richard Castro. And I  
16 think if you look on his card he's going to give his time to  
17 me.

18 CHAIR WINNER: Oh, it does say "extra time for  
19 Richard Castro," and then you have a card. Okay.

20 MR. CASTRO: Chairman, Commissioners, my name is  
21 Richard Castro representing Pari-Mutuel Employees' Guild.  
22 About four months ago I asked that an item regarding the  
23 nine unit front side pension plan be made an agenda item for  
24 public discussion. I also asked -- I also followed it up  
25 with a letter, and it hasn't been an agenda item as yet.

1 I would like to add to that request an unfunded  
2 pension contribution for the last five years be contributed  
3 to the plan. If that's been done, if so, how was it  
4 distributed?

5 On another subject, I think Andy Asaro (phonetic)  
6 who has sent out emails that probably everybody in the room  
7 has got, but I think it's worthy that he get answers to what  
8 is the hold up to the rolling doubles at 18 percent takeout?  
9 Is it Santa Anita's fault or is that the TOC won't split the  
10 double takeout fairly? Is it that the TOC -- is it that the  
11 TOC is holding it up? Then why in the world doesn't Santa  
12 Anita say something?

13 And this question I've altered, and it will  
14 probably get me a subpoena, another one: Can anyone tell me  
15 what Keith Brackpool or Mike Freegram (phonetic) or Brian  
16 Waite (phonetic), the mutual manager at Golden Gate Fields  
17 have done to help California racing in the last three or  
18 four years? In the case of Brian Waite I can tell you it is  
19 my opinion that he has stalled resolving a job  
20 classification issue that involves two internationals,  
21 Service Employees' International Unit, SEIU, and the  
22 International Brotherhood of Electrical Workers, IBEW. It  
23 is this issue that I will probably be sending the required  
24 15-day notice of a pending labor dispute, as your rules  
25 require, to protect our interest. I hope this issue can get

1 resolved soon without a labor stoppage.

2 I am also currently in discussions with an outside  
3 lawyer, that his actions have, in my opinion, created a  
4 hostile work environment for me in this industry. And I'm  
5 considering filing a federal action in that matter, as well.  
6 Thank you for allowing me to speak.

7 CHAIR WINNER: Thank you. You did well under the  
8 six minutes.

9 Is there any comment from the Board? All right.  
10 Yes, please, Commissioner.

11 COMMISSIONER CHOPER: I'm sorry. Against whom are  
12 you filing the -- federal action?

13 CHAIR WINNER: Can you come on back up, Richard?

14 MR. CASTRO: Coming.

15 CHAIR WINNER: Thank you.

16 COMMISSIONER CHOPER: I'm sorry to bring you up  
17 back. You were -- you were going pretty fast.

18 MR. CASTRO: I have no problem answering your  
19 questions. But I thought public comment was for me to  
20 express to you my comment, and you we weren't supposed to be  
21 asking questions.

22 COMMISSIONER CHOPER: Well, no, I just wanted --

23 MR. CASTRO: The person --

24 COMMISSIONER CHOPER: -- a clarification.

25 COMMISSIONER CHOPER: The person that I would be

1 filing against would be Brian Waite, the mutuel manager  
2 that's back here.

3 COMMISSIONER CHOPER: Well, that's all I wanted to  
4 know.

5 MR. MILLER: You want to know who the victim was.

6 COMMISSIONER CHOPER: Yeah. It was --

7 MR. CASTRO: The victim is me.

8 (Colloquy Between Commissioners)

9 CHAIR WINNER: Okay. Next is John Bucalo.

10 MR. BUCALO: Good morning Chairman Winner, Vice  
11 Chairman Derek, and Second Vice Chairman Rosenberg, and  
12 distinguished Members of the Board. John Bucalo from Barona  
13 Casino Off Track Betting. I just wanted to comment on  
14 Tulare closing down. Another satellite has closed down.  
15 Bakersfield, approximately two months ago, closed down.  
16 We're getting satellites -- we're having satellites closing  
17 down. And this notion that more satellites is going to help  
18 the industry, I see everybody has jumped on the bandwagon  
19 practically. And I don't believe, for the record, that  
20 that's going to help anything at all. The salvation of  
21 horse racing is not going to be found in extending more  
22 satellites.

23 I've had people come to, probably five, six, seven  
24 people either come to me or come to Barona Casino asking me  
25 about opening a satellite facility. I don't know why

1 they're contacting me. Maybe because they just know that  
2 I've been around the race track for a long time.

3           However, the satellites that are currently  
4 opening, this Board must make sure that a satellite does not  
5 remain with one percent gross. It is outrageous that  
6 this -- that would happen. How dare anybody think that a  
7 business could survive on one percent. It will not. If  
8 they handle \$18,000, and we talk about handles, we never  
9 bring in the amounts of revenue, but these satellites that  
10 handle \$18,000 in a day make \$180 on 1 percent. Now,  
11 there's housekeeping. There's service, the people that  
12 bring out beverages. Square footage has to amount for  
13 something.

14           Are you not thinking about the satellites? It's  
15 time we give the satellites some consideration. They do not  
16 make very much revenue. And all I hear is we're going to  
17 open more. And it's not going to create more people. What  
18 it's going to do, it's going to dilute the current  
19 satellites and it's going to take away from those satellites  
20 and they're going to go to another. And I've gone to OC  
21 Tavern lately. Most of the people wagering there, to the  
22 contrary of what I'm hearing at these meetings, are 55 and  
23 up, just like the race track, just like other satellites. I  
24 don't see it being real helpful.

25           Del Mar is down. We're down 40 percent at Barona

1 of what we did approximately two to three years ago. Now  
2 that shouts out. If this grandstand is not full you'd never  
3 build more seats here at Santa Anita, and that's what we're  
4 doing. We're creating more satellites and we can't fill  
5 them up. Our -- our room used to be full every single day.  
6 And now there's hardly anybody there. And I think it's  
7 outrageous that we think that this is going to be the  
8 salvation of anything.

9 Thank you very much. John Bucalo.

10 CHAIR WINNER: Thank you, John. Just in response  
11 to the point, Richard, that you made early with respect to  
12 the Board asking questions, in the announcement that I made  
13 at the beginning of the meeting, and it is made at the  
14 beginning of every meeting, it states, "The Board may ask  
15 questions of individuals who speak in public session."

16 So --

17 MR. CASTRO: I didn't take offense to that.

18 CHAIR WINNER: Okay.

19 MR. CASTRO: I had no problem at all.

20 CHAIR WINNER: Okay. I just --

21 MR. CASTRO: I've told everybody.

22 CHAIR WINNER: I know that. I just -- I just  
23 wanted to make sure everybody understood that, the Board  
24 does have the prerogative to ask questions of anyone who --  
25 who speaks. Okay.

1 MR. CASTRO: Point well taken.

2 CHAIR WINNER: Thank you. Moving on to item  
3 number six, public hearing and action by the Board regarding  
4 the proposed amendment to CHRB Rule 1658, Vesting of Title  
5 to Claimed Horses, to provide that a claim shall not be  
6 voided by the stewards if prior to the race the claimant  
7 elects to claim the horse of whether the racing or official  
8 veterinarian determines the horse will be placed on the  
9 Veterinarian's List as unsound or lane. This concludes the  
10 45-day public comment period. The Board may adopt the  
11 proposal as presented.

12 Dr. Arthur, do you want to comment on this?

13 DR. ARTHUR: Very simply, this is -- this  
14 amendment was put in place at the request of horsemen who  
15 may want to claim a horse as a brood mare and would prefer  
16 to keep the horse, regardless of the condition of the horse.  
17 And this --

18 CHAIR WINNER: Or for any other reason?

19 DR. ARTHUR: Or other reasons. And this is  
20 simply -- simply in response to requests from horsemen.

21 CHAIR WINNER: Is there any comment from the Board  
22 members on this?

23 VICE CHAIR DEREK: No. We had no comments in the  
24 45-day period.

25 MS. WAGNER: That's correct. No comments during

1 the 45-day comment period. Staff would recommend the Board  
2 adopt the proposal as presented.

3 CHAIR WINNER: Is there a motion?

4 VICE CHAIR DEREK: I'll move.

5 CHAIR WINNER: Moved by Vice Chair Derek. Is  
6 there a second?

7 COMMISSIONER AUERBACH: Second.

8 CHAIR WINNER: Seconded by Commissioner Auerbach.

9 All in favor?

10 ALL COMMISSIONERS: Aye.

11 CHAIR WINNER: Opposed? The motion carries  
12 unanimously. Thank you very much.

13 (Colloquy Between Commissioners)

14 CHAIR WINNER: Let's go on then to item seven,  
15 discussion and action by the Board regarding a report from  
16 the California Marketing Committee regarding its 2014  
17 marketing and promotion plans pursuant to Business and  
18 Professions Code section 19605.73(b).

19 Would you like to introduce yourself?

20 MR. DATO: Sure. My name is Craig Dato from Del  
21 Mar representing the California Marketing Committee.

22 MS. MCDONALD: Good morning, Shannon McDonald,  
23 CMC, California Marketing Committee.

24 MR. ROBBINS: Tom Robbins from Del Mar, not on the  
25 Marketing Committee, but representing product enhancement.

1 Craig?

2 MR. DATO: All right. Well, the highlights -- I'm  
3 just going to go over some of the highlights, I'm just going  
4 to go over some of the highlights of the budget summary  
5 that's in your packet.

6 The CMC is made up of six board members, two from  
7 the race tracks, two from the TOC, and two from CARF.  
8 However, all of our meetings are open and we generally have  
9 a wide array of attendees, including Commissioner Rosenberg  
10 who attends a number of our meetings and keeps an eye on  
11 us. We have a very limited budget of \$1.75 million. And  
12 when you think about trying to promote horse racing for the  
13 entire state 52 weeks a year, that's a very, very little  
14 amount of money. As recently as 2004 this fund was \$5.7  
15 million. And the reason for the decline is really twofold.

16 The fund is generated via wagers at satellite  
17 locations. And obviously since the advent of ADW, handle at  
18 the satellites is down significantly. Secondly, in 2011 the  
19 percentage of wagers that goes to the fund was cut from .40  
20 percent to .25 percent. So those two things together have  
21 taken this budget from \$5.7 million to \$1.75 where it is  
22 today.

23 So back in 2004 the CMC, which was a completely  
24 different Board then, tried all kinds of different things to  
25 promote racing in the state, everything from television

1 commercials to branding campaigns to giveaways, mystery  
2 mutual tickets, you name it, it was tried. And with such a  
3 small budget we don't have that luxury anymore. We really  
4 need to focus how we spend our dollars.

5           And the board was very clear on the two areas that  
6 we want to focus on for 2014, and those two areas are  
7 product enhancement, which must means more and better  
8 horses, and handle generation via a program for large  
9 betters. There is a little bit in there for administration  
10 and for our website, which is -- which is a very good  
11 website, and for some promotions at the satellites. But the  
12 lion's share of the money goes to product enhancement and  
13 handle generation.

14           There are three separate programs that fall under  
15 the product enhancement category. And I'll just -- very  
16 briefly, one of them is funding for two-year-old turf  
17 stakes, one of them is funding for the Golden State Series  
18 that is -- that is administered by the CTBA, and the other  
19 is funding for horse recruitment, both in Northern  
20 California and in Southern California. And each of those  
21 programs is detailed in your packet.

22           On the handle generation side we have what we call  
23 the significant player program which is an incentive program  
24 for players who wager more than \$20,000 in a calendar month.  
25 In 2013 we had 368 players in the program and they wagered

1 more than \$48 million.

2           So a common question that we get about this  
3 program is it's up to -- three percent is the maximum if you  
4 bet over \$150,000 in a calendar month -- is three percent  
5 really moving the needle? Are you getting players to stay  
6 at the race tracks and the satellites for three percent? I  
7 can't speak for the other race tracks, but I can tell you at  
8 Del Mar it's absolutely vital for us. We use it as the  
9 foundation, and then we build on it with some of our own  
10 incentives on top of it. But if we didn't have this three  
11 percent foundation provided by the CMC I know for a fact  
12 from talking to our top three or four players, they would  
13 bet on the phone. They would bet offshore. They would not  
14 be coming to Del Mar as often.

15           So we feel -- yes, sir?

16           COMMISSIONER CHOPER: What would you guess or what  
17 would you know is the discount that they receive if they bet  
18 in the two -- two areas that you just mentioned?

19           MR. DATO: Well, everybody negotiates their own  
20 deal.

21           COMMISSIONER CHOPER: Right.

22           MR. DATO: But we hear anywhere from 8 to 12  
23 percent is what you can get if you go elsewhere.

24           COMMISSIONER CHOPER: So I guess my question is:  
25 Why are they taking three?

1 MR. DATO: They're taking three as a base. And  
2 then as I said, we supplement it. At Del Mar we have a  
3 program with the TOC where we will go well beyond that  
4 three. We also give them suites to sit in. We give them a  
5 great atmosphere at Del Mar. They want to be big shots in  
6 front of a lot of people and -- but we need to financial  
7 incent them as well. They understand they can get more  
8 money elsewhere. But if we can give them a part of them,  
9 treat them well, we've been able to lure them to the race  
10 track.

11 COMMISSIONER CHOPER: You believe that it has been  
12 pretty successful?

13 MR. DATO: I do.

14 COMMISSIONER CHOPER: Well, for -- I mean, this  
15 is -- these are silly questions, in a way. Suppose you  
16 raised it to four percent, would that be better?

17 MR. DATO: It would be better. But,  
18 unfortunately, with the budget that we're raced with --

19 COMMISSIONER CHOPER: No, no, I understand.

20 MR. DATO: -- it's not an option.

21 COMMISSIONER CHOPER: I understand that.

22 MR. DATO: I think at four percent for certain  
23 players. I would not go four percent across the board. But  
24 for players that get to a certain threshold, absolutely,  
25 four is better than three. We go -- we go even above that

1 at Del Mar.

2           So that's basically it, product enhancement and  
3 significant player programs. And I'd just like to say at  
4 this point, I mean, I think our industry, especially on the  
5 product enhancement side, needs to find a way to generate  
6 funds beyond this million and -- \$1.75 million. Product  
7 enhancement is everything to us.

8           As we all know, handle correlates -- correlates  
9 directly to the number of runners we have in each field.  
10 And I think we need to find a way to increase this funding  
11 because we think we can do more and better things. The  
12 recruiting in the north has done really well. There's a  
13 program that CARF implements that does well. The Ship and  
14 Win program at Del Mar has done very well. There's things  
15 we can do, but they just take money.

16           So with that, if you have any specific questions  
17 about the CMC, Shannon is here, specific questions about the  
18 product enhancement programs we have in place, Tom Robbins  
19 is here, and I'll take any other questions.

20           COMMISSIONER KRIKORIAN: I have a question on  
21 the -- you've got satellite marketing here, as an example,  
22 and you've got a budget for \$120,000. What was -- what was  
23 the budget last year, and what was the money spent on?

24           MS. MCDONALD: So the budget last year for  
25 satellite marketing was -- \$180,000 was the line item

1 budget. But it's actually expected at year end. We still  
2 don't have all of 2013 invoicing in yet. But it will be  
3 closer to \$140,000. And I would say the majority of that --  
4 I know Chris Korby is here. And those funds are  
5 administered through the CMC, but then onto CARF. But I  
6 would say the majority was for giveaways, statewide  
7 giveaways that we do at all the satellite and the mini  
8 casinos -- I mean, the minisatellites and the casinos  
9 participate.

10 In 2014 some of those fund will be used for a  
11 statewide handicapping contest available at all sites.

12 VICE CHAIR ROSENBERG: Does the CMC get a  
13 breakdown from -- if CARF -- they handle -- the money goes  
14 to CARF and they distribute it?

15 MS. MCDONALD: No.

16 VICE CHAIR ROSENBERG: It doesn't go --

17 MS. MCDONALD: No. It comes through the CMC. I'm  
18 just saying that through CARF, they work with their  
19 satellites on the giveaways. I actually work with the mini  
20 casinos and -- I mean, the minisatellites and the casinos.  
21 But as far as the giveaways and their own -- they have a Cal  
22 Racing Club program which is like a frequent fan program,  
23 that's administered through CARF.

24 VICE CHAIR ROSENBERG: So what -- why is it in --  
25 okay. But what portion of the \$140,000 goes to CARF's

1 satellites versus the minisatellites and non-CARF  
2 satellites?

3 MS. MCDONALD: Oh, you know, I'd have to give you  
4 a breakdown. It would be based on how many giveaways one  
5 site gets versus another. So obviously Ventura gets more  
6 giveaways based on their attendance than a smaller  
7 minisatellite. We don't kind of -- you know, it's based  
8 on -- we do it based on attendance for a specific giveaway.  
9 It's not based on some --

10 VICE CHAIR ROSENBERG: Do you think these -- these  
11 programs are successful in bringing in patrons?

12 MS. MCDONALD: Well, I think that's why we're  
13 looking for 2014 to do maybe some giveaways, cut back there,  
14 but also to do the statewide handicapping contest.

15 COMMISSIONER KRIKORIAN: Let me ask another  
16 question. Can you provide -- as opposed to being general  
17 can you be specific and provide us with documentation  
18 breaking down all the -- all the expenses you had for  
19 satellite wagering, and have someone then explain that to  
20 us --

21 MS. MCDONALD: Yeah, sure, we can do that.

22 COMMISSIONER KRIKORIAN: -- you know, what the  
23 money was used for and the results of have been, how long  
24 you've been doing that and what you're proposing to do in  
25 the future?

1 MS. MCDONALD: Yes.

2 COMMISSIONER KRIKORIAN: Thank you.

3 COMMISSIONER CHOPER: In respect to distribution  
4 to the satellites, are the -- to what extent, roughly, are  
5 the -- are minisatellites considered on the same footing  
6 as -- as the regular satellites?

7 MS. MCDONALD: Well obviously there's more regular  
8 fair satellites than there are minisatellites.

9 COMMISSIONER CHOPER: I understand.

10 MS. MCDONALD: But we -- if you're talking about a  
11 giveaway, what we do is we look at the day and then we look  
12 at historical attendance, and then we try to come up with  
13 what --

14 COMMISSIONER CHOPER: Okay.

15 MS. MCDONALD: -- seems to be a fair and equitable  
16 number.

17 COMMISSIONER CHOPER: So they're treated equally?

18 MS. MCDONALD: Absolutely.

19 COMMISSIONER CHOPER: Okay.

20 MS. MCDONALD: Everybody participates.

21 COMMISSIONER CHOPER: That's good. Okay.

22 COMMISSIONER AUERBACH: You mentioned that the  
23 revenue dropped by .15 percent. You want to fill me in,  
24 what that was in relation to?

25 MR. DATO: That's a good question. It was a

1 different board back in 2010 when the decision was made.  
2 And if there were no CMC the money would go to the TOC and  
3 to the tracks. So at that time the tracks and the TOC  
4 decided they wanted to take some money back. I wish we  
5 could unwind it because I think we need this fund to be  
6 bigger.

7 COMMISSIONER AUERBACH: The question to me -- for  
8 me is: How did they get it back? Was it -- what -- what  
9 was the category that they were able to adjust it?

10 MR. DATO: This -- this money is taken out of --

11 COMMISSIONER AUERBACH: I want to know.

12 MR. DATO: -- of funds that go to the purse  
13 account and commissions to the host track.

14 COMMISSIONER AUERBACH: So it was legislated that  
15 they --

16 MR. DATO: Yes.

17 COMMISSIONER AUERBACH: -- reduced it?

18 MR. DATO: Yes. Yes.

19 COMMISSIONER AUERBACH: Okay.

20 VICE CHAIR ROSENBERG: And that was 2010?

21 MR. DATO: It kicked in in 2011. They did the  
22 work in 2010.

23 CHAIR WINNER: Craig, we're going to have a  
24 committee going forward, which is the -- a committee that  
25 we've had in the past that we're going to have going forward

1 called Racing and Breeding Marketing Initiatives. I know  
2 you've attended those meetings. I think, Rom, I think you  
3 have as well. And it seems to me that this is an issue,  
4 especially the budget issue and what can, if anything, be  
5 done about it should be brought to the next meeting of that  
6 committee. Commissioner Rosenberg will be the chairman of  
7 that committee. And I'd recommend that you and he get  
8 together and plan for the next time we have that meeting to  
9 have that discussion. And all of the parties who are  
10 involved ought to be involved.

11 We're also going to have a committee titled Pari-  
12 Mutuel, ADW, Satellite and Simulcast Committee, which will  
13 be the committee that Commissioner Krikorian will be  
14 chairman of. And I think the issues dealing with that,  
15 those issues, will go to that committee.

16 MR. DATO: Very good.

17 VICE CHAIR ROSENBERG: Craig, what's your opinion  
18 on the value of the -- the product enhancement, this part of  
19 the product enhancement, the -- that we're talking about,  
20 what is it called, the giveaways, the \$140,000 versus the  
21 horse recruitment budget which is a slightly higher -- which  
22 I -- from what I've been able to see has been highly  
23 successful in bringing horses to the state, both to the  
24 fairs and to race tracks. It sounds to me like with  
25 declining population attending satellites, as pointed out

1 earlier, I'm not sure giveaways make a difference, if  
2 that's -- if that's a big part of that \$140,000. It seems  
3 to me that money might be spent more on the recruiting area.

4 MR. DATO: I think that's a fair question. And  
5 that was widely debated in our meetings. And as you well  
6 know, sometimes when you're trying to get budgets passed you  
7 have to make concessions to other board members, and we did  
8 what we had to do. But I think that's a fair, fair point.

9 VICE CHAIR ROSENBERG: You do think it's  
10 successful, the horse recruiting program?

11 MR. DATO: We do. I don't think at this point we  
12 have any choice. We need to do everything we can to -- to  
13 get more and better class of horses to California.

14 VICE CHAIR ROSENBERG: I think because there's a  
15 current topic of, you know, horse field size that maybe Tom  
16 could elaborate a little bit on why it's been successful or  
17 if it's been successful.

18 MR. ROBBINS: Well, I think as Craig mentioned  
19 earlier, without the product I don't think we have the game.  
20 And that's why I think it's important that we're continuing  
21 with this approach that we started a couple years ago in  
22 focusing on the three areas that have proven successful.  
23 The two-year-old stakes' program, the concept behind that  
24 was to try to get younger horses to the state of California.  
25 We enhancement the values of some of the existing two-year-

1 old races, but we also added, in the case of Del Mar, two-  
2 mile turf races at the end of the meet.

3           Santa Anita autumn meet also added two turf races  
4 to support the Breeders' Cup championship events that have  
5 been held the last two years at Santa Anita, and again for  
6 the third straight year this -- this year at Santa Anita, as  
7 well. The horses that have participated in those races have  
8 gone on to run in the championship events at Breeders' Cup.

9           The Golden State Series, I mean, it's well  
10 documented, and you've mentioned it, about not only a  
11 California foul crop decline in the -- in the last five  
12 years, but the national decline as well. And to be  
13 perfectly clear on this, it's not -- California isn't  
14 facing -- you know, this isn't an isolated issue for  
15 California. It's an issue that faces all of North America.  
16 I don't know if Doug Burge is here. He could probably speak  
17 to the benefit of the -- of the Golden State Series in  
18 greater detail than I. But we have seen a leveling off, I  
19 think, in the last year or so of the California breeding.  
20 And I think Doug is hopeful that it's going to start turning  
21 upwards. And I -- and I can't say that about the national  
22 population scenario.

23           Horse recruitment is something -- again, we're not  
24 just isolated with this issue in California. It's all  
25 states, all regions of North America that are seeing the

1 same problem that we along with them are competing for this  
2 shrinking population of horse. We've seen it, not that the  
3 Ship and Win program is part of this, it's totally separate  
4 from this program, but we've seen the benefits of that  
5 program.

6 We are stepping up efforts and have dedicated  
7 slightly more money in this overall statewide recruitment  
8 effort for 2014. It's highly critical to advance and try to  
9 get people here that ordinarily wouldn't come to California.  
10 And, you know, that's what this is all about, trying to  
11 stimulate interest in racing in California and breeding in  
12 California.

13 VICE CHAIR ROSENBERG: So if you had more money,  
14 what would you do with it?

15 MR. ROBBINS: I think just be much more aggressive  
16 and be able to go after -- after horsemen.

17 VICE CHAIR ROSENBERG: Well, specifically what?

18 MR. ROBBINS: Specifically, at Del Mar we weren't  
19 able to -- we had a little bit different funding mechanism  
20 last year. We had money that was going into the paddock  
21 sale. We've eliminated that from the program. We hope to  
22 continue with the paddock sale again this summer at Del Mar,  
23 but it's not going to be a part of this program.

24 What I have seen personally, the effort of Ship  
25 and Win has been highly successful in the three years that

1 we've had. That's a program that's funded by Del Mar  
2 Thoroughbred Club and the Thoroughbred Owners of California  
3 on an equal basis. And it's growing in popularity. I would  
4 push -- I would push those -- those events more than what I  
5 think we have done. There are horsemen that, for example,  
6 that would come to Del Mar that are excited about coming to  
7 Del Mar and sending horses, or local horsemen acquiring  
8 horses for the Ship and Win program. But it's an expensive  
9 proposition to get people to come and stay seven weeks at  
10 Del Mar.

11           What we're trying to do is get them to come to  
12 California, not just stay seven weeks but stay beyond that  
13 timeframe. And that, you know, it -- it requires funding.  
14 It's an expensive proposition to encourage a stable or  
15 individual horses to support graded stakes' races to -- to  
16 transport and to -- whether it's Del Mar or Santa Anita or  
17 Los Alamitos, any of these facilities that -- that we hope  
18 to, you know, keep and bolster our racing product.

19           So to me, I know that there are trainers out there  
20 that are interested in getting a little bit more money and  
21 financial help in relocating to California. So to be  
22 specific, I think that's something that we're interested in.

23

24           CHAIR WINNER: Craig, do you have anything to add  
25 beyond what Tom said? A lot of what Tom said was sort of

1 Del Mar specific. Do you have anything to add with respect  
2 to the state as a whole in response to Richard's questions?

3 MR. DATO: Well, I think we work with the other  
4 tracks and potentially look at maybe a ship and win type  
5 program at the other facilities, maybe here at Santa Anita,  
6 maybe -- maybe statewide. Maybe there would be --

7 CHAIR WINNER: That's -- that's a Del Mar program?  
8 That's not a CMC program?

9 MR. DATO: Correct. But maybe we look into  
10 funding programs at other tracks. Maybe -- as Tom said, we  
11 don't want them to come for one race, we want them to stay.  
12 Maybe we would continue the incentives beyond just the first  
13 race. I mean, there's all types of things we need to look  
14 at.

15 And I think you're seeing a different complexion  
16 of the CMC meetings now. All the racing secretaries come to  
17 the CMC meetings now, and I think that's a good thing  
18 because we're really turning into a product enhancement  
19 oriented board, and I think that's very positive.

20 CHAIR WINNER: Any other questions?

21 COMMISSIONER CHOPER: Well, I just wanted to say,  
22 I don't know that Golden Gate people are here, but we do  
23 pretty well, mainly because there's less racing, at both  
24 Phoenix and in -- in Washington and, you know, a little bit  
25 from Oregon, maybe, and -- and Vancouver. But to the extent

1 that you could get that -- you know, when they go, when  
2 their meets open up there the difference is quite noticeable  
3 in terms of field size. So I'm sure that there should be  
4 some support from -- from them, too, and from the Stronach  
5 Group for that.

6 Is this budget allocated by the -- I understand it  
7 comes from the state or it comes from the funds that we  
8 have. But it's our budget, is that right, the Board's  
9 budget? So if -- if -- go ahead.

10 CHAIR WINNER: It's their -- it's their budget.  
11 It's the CMC's budget.

12 COMMISSIONER CHOPER: No.

13 CHAIR WINNER: The allocation process --

14 COMMISSIONER CHOPER: The allocation to the CMC,  
15 who determines that CMC ought to get X number of dollars  
16 instead of paying the expenses of commissioners, for  
17 example?

18 CHAIR WINNER: That's the legislation.

19 MS. MCDONALD: Legislation does.

20 CHAIR WINNER: That's the legislation.

21 COMMISSIONER CHOPER: Is that right?

22 CHAIR WINNER: Yeah. But the allocation within  
23 that budget is done by CMC.

24 COMMISSIONER CHOPER: No, no, that I understood.

25 I just wondered --

1 MS. MCDONALD: And then within the legislation  
2 there's a specific note to come in front of the Board each  
3 year with the proposed budget, and that's why we're here  
4 today.

5 COMMISSIONER CHOPER: Uh-huh. So the Board makes  
6 a request of the legislature for the allocations of the  
7 budget?

8 MS. MCDONALD: No. We're just here to provide the  
9 budget to you for informational purposes. I don't think  
10 there's --

11 CHAIR WINNER: I believe that this is a report to  
12 the Board.

13 MS. MCDONALD: Correct.

14 CHAIR WINNER: We don't vote on it.

15 MS. MCDONALD: Correct.

16 CHAIR WINNER: We don't vote on your budget. This  
17 is a report from you to the Board.

18 MS. MCDONALD: Right.

19 COMMISSIONER CHOPER: But if for some reason the  
20 majority of the Board said, well, we ought to have more  
21 money for CMC -- this is totally hypothetical, obviously --  
22 and so whoever is allocating up in the state would say,  
23 well, so what are you giving up or what, and we made a  
24 suggestion and say, well, we think it ought to be  
25 substituted for this line in the budget, that's possible, I

1 take it?

2 VICE CHAIR ROSENBERG: No.

3 COMMISSIONER CHOPER: It's not possible.

4 VICE CHAIR ROSENBERG: No. All we have is  
5 technically oversight rights. And the statute just merely  
6 says that they're going to make a report to the Board, not  
7 for approval. And the amount, Jesse, that comes each -- to  
8 this budget is an estimated amount projected for next year  
9 based upon handle. There's a statute that says X percent,  
10 what is two point --

11 MS. MCDONALD: 2.25.

12 VICE CHAIR ROSENBERG: -- of the handle -- handle  
13 of satellites goes to the CMC.

14 CHAIR WINNER: So the answer --

15 COMMISSIONER CHOPER: I see.

16 CHAIR WINNER: -- to your question, I believe,  
17 Jesse, is --

18 COMMISSIONER CHOPER: Yes, yes, I get it.

19 CHAIR WINNER: -- in order to improve the budget,  
20 either the structure would have to change one way or another  
21 or someone would have to go to the legislature and get the  
22 legislature to act --

23 COMMISSIONER CHOPER: Yeah.

24 CHAIR WINNER: -- to change that --

25 COMMISSIONER CHOPER: I think I'm getting it.

1 Yeah.

2 CHAIR WINNER: -- that percentage.

3 COMMISSIONER CHOPER: But there's still a couple  
4 of questions.

5 CHAIR WINNER: I believe that's correct. Okay.  
6 Thank you very, very much.

7 COMMISSIONER AUERBACH: Thank you.

8 CHAIR WINNER: Item eight has been put over, as I  
9 announced earlier.

10 Item nine, discussion and action by the Board  
11 regarding the report and update from the night industry  
12 concerning the status -- oh, on seven.

13 I apologize, John. I apologize. We had a speaker  
14 on -- on the last item. John? John Bucalo.

15 MR. BUCALO: John Bucalo, Barona Casino Off Track  
16 Betting. I just wanted to remind the Board that when this  
17 promotional money was originally created it was for  
18 promotional events at satellites, and now it's been  
19 portioned out. And some of this money is being funded for  
20 two-year-olds and Ship and Win and so on. I'd like to see  
21 some of the TOC maybe paying for some of that, a little  
22 more, and more of this percentage going to the satellites  
23 for promotional events.

24 And by the way, one example that I would say, or  
25 suggestion, is we put in every major county newspaper not

1 only the entries, but the handicappers and the results,  
2 maybe paid out of this fund. I think we need -- desperately  
3 need exposure for this business. We're losing -- it's a  
4 double-edged sword here. I hear us talking about horses,  
5 shortage of horses all the time. But there's a shortage of  
6 racing fans, and we must capture those fans. We've got a  
7 wonderful sport here. It's terrific. It's exciting. Let's  
8 get them to the track.

9 I mean, anybody I bring, let's get the owners that  
10 bring their friends. I mean, everybody -- everybody I bring  
11 from the satellite, I can turn a two or three -- three time  
12 player that plays a month into maybe a six or seven time a  
13 month player just by bringing him in and exposing him to  
14 these wonderful places, seeing the horses in the paddock  
15 prancing around all dappled out with their shiny coats, the  
16 jockeys coming out in their bright silks, and the  
17 conversation between the owners and the trainers and the  
18 jockeys of the strategy of the race, being able to get the  
19 autographs. And when they break out of the gate, you know  
20 what that is; the excitement never stops. And we need to  
21 expose people here. We need to get these seats filled.

22 And by the way, if you're going to be in -- if  
23 we're going to try to compete with other gambling entities,  
24 and I'm going to use casinos, casinos, there's no admissions  
25 fees, no parking fees. And we've taken the \$2.00 player who

1 used to be the backbone of this industry completely out of  
2 the equation of being able to come to the races anymore.  
3 And I'd rather be looking at a \$2.00 player who may come  
4 with maybe \$60.00 or \$80.00 to play during the day and  
5 filling these seats than -- than looking at empty seats.

6           Now, how can we capture those players? Not by  
7 looking at all these empty seats and saying, well, to bring  
8 the bottom line up we must increase parking, admissions, and  
9 food and beverage costs. That's a terrible incentive.  
10 We've got to get them here. And the way we're going to get  
11 them here is to reduce those charges. And the volume should  
12 bring that bottom line up, if I'm right. And I don't claim  
13 to be so smart. I am not highly educated. But what I am is  
14 very experienced in this business. I've lived it and  
15 breathed it my entire life. And I love the people who work  
16 here. I love the people who come here. And I love the  
17 horses, as well. And I think we can get them if we get them  
18 here.

19           And this CMC Marketing Committee, if we get more  
20 money and put it in the newspaper, exposure means a lot.  
21 Every major county should have it. Thank you.

22           CHAIR WINNER: John, and thank you for that  
23 promotional talk, which was very well said. And I think  
24 most of you would agree with those things that we -- that we  
25 can do anything about. In terms of parking and admission,

1 I'm not sure that's in our jurisdiction to do anything  
2 about. All right.

3 Now, moving on to item nine, discussion and action  
4 by the Board regarding the report and update from the night  
5 industry concerning the status of the agreement regarding  
6 the night industry's advance deposit wagering imports split  
7 rate on races conducted from six o'clock during the 2013  
8 racing year, and the allocation and distribution of advance  
9 deposit wagering harness funds generated pursuant to  
10 Business and Professions Code section 19604.(f)(5).

11 And we have three people -- we had -- should we  
12 start with this? Or is this -- I think this is -- you're  
13 Mr. Schiffer; is that correct?

14 MR. SCHIFFER: Yeah.

15 CHAIR WINNER: Yeah.

16 MR. SCHIFFER: I'm Dan Schiffer from the PCQHRA.

17 CHAIR WINNER: Okay.

18 MR. KENNEY: Ben Kenney, Watch and Wager.

19 MR. ENGLISH: Rick English, Los Alamitos.

20 CHAIR WINNER: Gentlemen, who would like to start?

21 MR. SCHIFFER: Well, I think we're very happy to  
22 report that all past differences have been resolved.

23 CHAIR WINNER: Good news.

24 MR. SCHIFFER: All the parties have entered into  
25 and signed a compromise and settlement agreement and release

1 of claims.

2 COMMISSIONER CHOPER: Signed? This is --

3 MR. SCHIFFER: My understanding is it's signed,  
4 sir. I haven't seen it, but I'm going to take their word  
5 for it.

6 MR. ENGLISH: Yes.

7 MR. KENNEY: Yes.

8 CHAIR WINNER: And that's very good news, and we  
9 all appreciate it and congratulate you.

10 MR. SCHIFFER: To add to that, we have these two  
11 gentlemen sitting together. And they're going to work on a  
12 great business relationship in the future.

13 MR. KENNEY: We always have. We always have.

14 MR. ENGLISH: We always have been.

15 CHAIR WINNER: See how many things I can  
16 accomplish as Chairman.

17 MR. SCHIFFER: Congratulations. We would like to  
18 thank Commissioners Rosenberg and Choper for their help in  
19 ensuring this position.

20 MR. KENNEY: Absolutely.

21 COMMISSIONER CHOPER: Well, our committee takes a  
22 lot of credit for delaying long enough so that you make the  
23 agreement.

24 MR. SCHIFFER: Thank you.

25 MR. KENNEY: Thank you very much.

1 CHAIR WINNER: Thank you very much. Any other  
2 questions on this item? Well done. Thank you.

3 Report from the Medication and Track Safety  
4 Committee is item ten.

5 VICE CHAIR DEREK: Yes. First, yesterday we  
6 discussed a proposal by Dr. Arthur to require quarter horses  
7 stabled at Los Alamitos to be placed on the Veterinarian's  
8 List for 15 days when they're treated with clenbuterol, and  
9 to also require a blood and urine test showing they're clear  
10 of clenbuterol before they get removed from that list.

11 Dino Perez with the Horsemen's Association at Los  
12 Alamitos informed us that his board unanimously favors this  
13 proposal. Dr. Arthur said Dr. Allred also agrees with the  
14 proposal. Dr. Arthur, citing what he calls a crisis at Los  
15 Alamitos with clenbuterol use, suggests that we simply issue  
16 a directive to implement these changes. Because there are  
17 procedural issues involved that have to be resolved, we  
18 agree to continue -- to continue reviewing this matter and  
19 to work with the agency to determine the best course of  
20 action. And obviously we will be doing this immediately.

21 Dr. Arthur also proposed an amendment to Rule 1858  
22 regarding test samples. He pointed out that many horses --  
23 many horses racing at Los Alamitos are trained offsite.  
24 They ship in shortly before the race. We don't have access  
25 to those horses while they are offsite. So they aren't

1 subject to out-of-competition testing. Dr. Arthur believes  
2 we need a rule that gives us access to those horses by  
3 requiring them to be registered well in advance of racing  
4 and subject to out-of-competition testing.

5           There is another category of horses, those  
6 nominated to a race, that we also want included in out-of-  
7 competition testing. The proposed amendment clarifies that  
8 horses nominated to a race in California are subject to  
9 testing. A third classification covers horses pre-entered  
10 in a race, such as the Breeders' Cup, making them subject to  
11 testing as well.

12           Furthermore, we need to amend Rule 1858 to  
13 eliminate the upper limit of nine horses that can be tested.  
14 The committee recommends the Board approve these regulatory  
15 changes for a public notice.

16           We revisited the proposal to take administration  
17 of lasix out of the hands of practicing veterinarians and  
18 put it into the hands of third-party veterinarians. This  
19 practice already is in place in some jurisdictions, at  
20 Woodbine for 20 years, for instance, where things are  
21 working very well. One option is for the race tracks and  
22 horsemen's groups to hire their own veterinarians and/or  
23 veterinary technicians for this purpose. We are trying to  
24 best determine the best approach while taking into account  
25 concerns expressed by other interests, including the

1 California Veterinary Medical Board. The concept is  
2 supported by the Breeders' Cup and the TOC. We hope to have  
3 something for the Board to consider at the February meeting.

4 As you know, the Board and industry have been  
5 discussing backside security issues for many years,  
6 including proposals to install cameras in barns and increase  
7 the number of security personnel. Now the TOC has stepped  
8 forward with a generous offer of \$150,000 to jumpstart this  
9 effort. The chairman has asked me, as Chair of the  
10 Medication Committee, to create a special committee to take  
11 another look at all of these issues and determine the best  
12 way of putting this \$150,000 to good use, and perhaps come  
13 up with ways to obtain additional funds for this purpose. I  
14 will be creating this committee in the near future.

15 Finally, the chairman asked us to take a good look  
16 at how medications are being used in horse racing, with the  
17 goal of limiting the use of those medications to the  
18 purposes for which they are intended. We will address this  
19 issue in the months ahead. Thank you.

20 CHAIR WINNER: Thank you very much. Item 11 is a  
21 report on the Northern California Race Dates Ad Hoc  
22 Committee. Given that we have moved item 12 to February,  
23 I'm not sure there's a need to meet -- the Ad Hoc Committee  
24 did meet, but I don't know that --

25 COMMISSIONER BENETO: Yeah, you bet.

1 CHAIR WINNER: -- we need the report on it. You  
2 can if you'd like, if you want to report.

3 COMMISSIONER BENETO: Well, I will just report in  
4 February.

5 CHAIR WINNER: Yeah. Okay.

6 COMMISSIONER BENETO: No use taking up time now.

7 CHAIR WINNER: Okay. Thank you. Since that item,  
8 the primary item of that Ad Hoc Committee has been moved to  
9 February, then we'll move the report to February as well.  
10 And by that time there may be other -- other items to  
11 report.

12 COMMISSIONER BENETO: More Ad Hoc meetings.

13 CHAIR WINNER: No.

14 COMMISSIONER BENETO: All right. I think we're --  
15 we're meeting'd out.

16 CHAIR WINNER: Right. All right. Are there any  
17 other matters that -- to be discussed? Then I'll entertain  
18 a motion to adjourn.

19 VICE CHAIR ROSENBERG: Congratulations. This is  
20 the shortest meeting we've had.

21 VICE CHAIR DEREK: Absolutely.

22 MS. WAGNER: Right.

23 VICE CHAIR ROSENBERG: I'll second. I'm make the  
24 motion.

25 CHAIR WINNER: Okay. It's moved by --



## CERTIFICATE OF TRANSCRIBER

I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.

/s/ Martha L. Nelson  
MARTHA L. NELSON, CERT\*\*367

January 22, 2014