

STATE OF CALIFORNIA

HORSE RACING BOARD

In the Matter of:)

)

Regular Meeting)

)

CALIFORNIA EXPOSITION AND STATE FAIR GRANDSTAND

1600 EXPOSITION BOULEVARD

SACRAMENTO, CALIFORNIA

THURSDAY, SEPTEMBER 21, 2023

9:30 A.M.

Reported by:

Martha Nelson

APPEARANCES

BOARD MEMBERS

Gregory Ferraro, Chairman

Oscar Gonzales, Vice Chair

Damascus Castellanos, Commissioner

Wendy Mitchell, Commissioner

Dennis Alfieri, Commissioner

Thomas Hudnut, Commissioner

STAFF

Scott Chaney, Executive Director

Jeff Blea, Equine Medical Director

Mike Marten

ALSO PRESENT

Larry Swartzlander, California Authority or Racing Fairs

Becky Bartling, Sonoma County Fair

Bill Nader, TOC

Eric Sindler, Golden Gate Fields

David Duggan, Golden Gate Fields

William Rizzuto, Golden Gate Fields

Chris Schick, Watch and Wager

PUBLIC COMMENT

Morgan Fussell, Hoof Pick Racing Partners

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Litigation," and 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 authorized by Government Code section 11126(e).
- C. The Board may convene a Closed Session for the purposes of considering personnel matters as authorized by Government Code section 11126(a).

14. Adjournment

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P R O C E E D I N G S

9:39 A.M.

THURSDAY, SEPTEMBER 21, 2023

CHAIR FERRARO: Ladies and gentlemen, this meeting of the California Horse Racing Board will please come to order. This is the regular noticed meeting of the California Horse Racing Board on Thursday, September 21st, 2023 at the California Exposition and State Fair Grandstand, Sacramento, California.

Present at today's meeting are myself, Dr. Gregory Ferraro, Chair. Also, Oscar Gonzales, Vice Chair; Dennis Alfieri, Commissioner; Wendy Mitchell, Commissioner; Damascus Castellanos, Commissioner; Brenda Washington Davis, Commissioner; and Thomas Hudnut, Commissioner. Scott Chaney, our Executive Director, is also present.

Before we go to the business of the meeting, I need to make a few comments.

The Board invites public comment on the matters appearing on the meeting agenda. Procedurally, the Board will first hear from those directly involved in the agenda item. I will then invite public comment on the agenda item. The Board will not answer questions. This item is for comments only, not questions.

Unsolicited speakers are listed to two minutes.

1 During all public comments, a sign will be raised after the
2 first 90 seconds, meaning the speaker will have 30 seconds
3 remaining to conclude their remarks. At two minutes, a sign
4 will be raised and a tone will sound to indicate the
5 speaker's time is up. The Board may ask questions of
6 individuals who speak, which may extend their two-minute
7 time limit.

8 There are public comment sign-in sheets located at
9 the designated table to my right for each agenda item on
10 which the Board invites comments. There is also a sign-in
11 sheet for those wishing to speak during the public comment
12 period for matters not on the Board's agenda if it concerns
13 horse racing in California. Please print your name legibly
14 on all sign-in sheets.

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

21 I will insist that all speakers stay strictly on
22 topic for each agenda item. If a speaker strays off topic,
23 I will ask to move to the next speaker. The speaker repeats
24 themselves, I will ask if the speaker has any new comments
25 to make. If there are none, the speaker will be asked to

1 let others make comments to the Board.

2 If anyone has comments of a more general nature
3 that are not specific to earlier agenda items, those
4 comments must wait until the agenda item number 12, Public
5 Comment. There will be a 30-minute time limit for public
6 comment in order to allow as many individuals to speak as
7 possible within that half hour. I will strictly enforce the
8 two-minute time limit for each unsolicited speaker.

9 And with that, we can begin with our agenda, which
10 is approval of the minutes of June 29th. And those that are
11 eligible to vote on this are Oscar Gonzales, Damascus
12 Alfieri, and Ferraro; is that correct?

13 EXECUTIVE DIRECTOR CHANEY: Yes. I'm just looking
14 at it. It's Ferraro, Gonzales, Alfieri, Davis who are at
15 that meeting.

16 CHAIR FERRARO: Davis, right.

17 So can I have a motion from one of you to approve
18 the minutes?

19 COMMISSIONER ALFIERI: I'll so move.

20 COMMISSIONER DAVIS: Davis seconds.

21 CHAIR FERRARO: Okay. So, Oscar?

22 VICE CHAIR GONZALES: Yes.

23 CHAIR FERRARO: Davis?

24 COMMISSIONER DAVIS: Yes.

25 CHAIR FERRARO: Alfieri?

1 COMMISSIONER ALFIERI: Yes.

2 CHAIR FERRARO: The Chairman votes yes. Minutes
3 are approved.

4 Approval of the minutes of August 17th. I think,
5 Commissioner Hudnut, you have a correction; correct?

6 COMMISSIONER HUDNUT: Yes, that is correct. I am
7 unable to see the material at the moment, but I believe in
8 item number four, it indicates a unanimous vote on the
9 Southern California race dates. The vote was actually not
10 unanimous because I voted no.

11 CHAIR FERRARO: Well --

12 COMMISSIONER HUDNUT: The minutes should reflect
13 that.

14 CHAIR FERRARO: Will we get that in the final?

15 COMMISSIONER HUDNUT: I believe Cynthia has that
16 already.

17 CHAIR FERRARO: We already have taken care of it?
18 Okay, so can we have a motion to approve?

19 COMMISSIONER HUDNUT: So moved.

20 COMMISSIONER CASTELLANOS: Second.

21 CHAIR FERRARO: Commissioner Davis?

22 COMMISSIONER DAVIS: Abstain. I wasn't here;
23 right.

24 CHAIR FERRARO: Oh, neither of you were here;
25 right?

1 COMMISSIONER MITCHELL: I was here.

2 CHAIR FERRARO: You were?

3 COMMISSIONER MITCHELL: Yeah.

4 CHAIR FERRARO: Okay. Don't confuse me then.

5 COMMISSIONER MITCHELL: (Off mic.)

6 (Indiscernible.)

7 CHAIR FERRARO: Commissioner Mitchell?

8 COMMISSIONER MITCHELL: Aye.

9 CHAIR FERRARO: Commissioner Gonzales?

10 VICE CHAIR GONZALES: Aye.

11 CHAIR FERRARO: Commissioner Castellanos?

12 VICE CHAIR GONZALES: Yes.

13 CHAIR FERRARO: Commissioner Alfieri?

14 COMMISSIONER ALFIERI: Yes.

15 CHAIR FERRARO: Commissioner Hudnut?

16 COMMISSIONER HUDNUT: Yes.

17 CHAIR FERRARO: The Chairman votes yes.

18 Okay, we move on to item number three, which is

19 discussion and action by the Board of the Northern

20 California race date allocations.

21 Can we start with Mr. Chaney, please?

22 EXECUTIVE DIRECTOR CHANEY: Sure, I can kind of

23 set the table for the Board.

24 As the Board might recall, last month you

25 allocated Southern California race dates, including Quarter

1 Horses. We did not consider Northern California dates,
2 though they were discussed the day before at the dates
3 committee. Today it is on the agenda. Obviously a lot has
4 happened in the last month, including some legislation that
5 passed both AB 1074, which passed the assembly and the
6 Senate, and I believe with kind of the blessing of most
7 stakeholders, if not all.

8 So I believe that race date allocation, at least
9 for the first, through September and part of October, should
10 be fairly straightforward this morning. Because of that
11 legislation, Golden Gate Fields, The Stronach Group, has
12 agreed to stay open for another six months.

13 If I'm overstating any of this, stakeholders
14 please speak up.

15 So I think we included in the Board packet sort of
16 a proposed Northern California race dates allocation, which
17 is basically Golden Gate Fields from late December through
18 June, followed by the normal four weeks of Alameda County
19 Fair, followed by the normal three weeks at Cal Expo,
20 followed by Santa Rosa, who is requesting and is interested
21 in an additional third week, and then followed by Ferndale,
22 who also is interested in a third week. So that takes us
23 through September 10th. The one remaining fair would be
24 Fresno, and they are requesting the first two weeks of
25 October.

1 So that leaves the last few weeks of September,
2 and then mid-October through December unallocated. And
3 that's kind of where we are right now.

4 I would be remiss in not also noting the
5 allocation for standard bread racing at Cal Expo, which runs
6 basically May through -- I mean, I'm sorry, October through
7 May also should be allocated today if possible.

8 MR. SWARTZLANDER: Yeah, Larry Swartzlander,
9 Executive Director of CARF.

10 Yeah, I'll simply just echo what Mr. Cheney said,
11 that we'd like to have the fair dates. They've been
12 approved by the CARF Board and we'd like to have the Board
13 approve those today. Obviously, we have no contention with
14 Golden Gate running through mid-June. We would like to see
15 the dates awarded for the fall period, but at this point we
16 don't have a definite location, and I would leave that up to
17 the discretion of the Board.

18 CHAIR FERRARO: Questions from the Board? Do you
19 have any?

20 COMMISSIONER HUDNUT: Are we going to hear from
21 other interested stakeholders?

22 CHAIR FERRARO: Yeah. Yeah. Yeah. Yeah. You
23 want to wait?

24 COMMISSIONER HUDNUT: Yes.

25 CHAIR FERRARO: Yeah, okay.

1 COMMISSIONER HUDNUT: Thank you.

2 CHAIR FERRARO: Thanks, Larry.

3 COMMISSIONER HUDNUT: Thank you.

4 CHAIR FERRARO: Can we hear -

5 MS. BARTLING: Good morning. Am I on? Yep.

6 Becky Bartling, CEO, Sonoma County Fairgrounds, and I have
7 Michael Margetts, who is our CFO, soon retiring CFO, but
8 still.

9 We support the calendar. We have worked with
10 CARF. We are excited to have a third week. It will be a
11 bonus week like we have done in the past, so we'll have the
12 first two weeks will be with the fair, and then the third
13 week would be what we have traditionally called the bonus
14 week. We'll be doing special activities to, you know, draw
15 attendance, but we'll follow the same protocol that we have
16 done in the past.

17 CHAIR FERRARO: Anything else? Very well.

18 We want to hear from TOC now, please.

19 MR. NADER: Thank you, Chairman, Board members,
20 Executive Director Cheney. The TOC, first and foremost,
21 pledges its uncompromising support to the Northern
22 California circuit, fair circuit in its current context. We
23 think it's very important.

24 I had the opportunity to be at Pleasanton in July.
25 TOC was also present at Ferndale this year, so we've seen

1 it firsthand. We recognize its importance within the entire
2 industry. In our preferences, within that boutique
3 structure, it really works well.

4 The cause of concern I would have to lodge today
5 would be the third week at Ferndale. The numbers this year,
6 with the heavy concentration of horses coming in from
7 Oregon, and Oregon is on both sides of the Ferndale dates,
8 so it's a pretty tight window, the numbers this year at
9 Ferndale were 5.12 runners per race over two weeks. And if
10 I called your attention, Friday, August 25th, which was the
11 second week, the first day of the second week, there were 31
12 runners participating on that race card, 20 of which ran
13 during the first week.

14 So to stretch it to three weeks, from the TOC's
15 point of view, with all of the good things we've done in
16 California in governing horse racing, I just think it might
17 be, you know, one step too far, and keeping that at two
18 weeks, at least for now, would make better sense.

19 So I just wanted to voice that concern. Thank
20 you.

21 CHAIR FERRARO: Larry, do you have a comment about
22 that?

23 MR. SWARTZLANDER: Yeah, I'll just make a couple
24 comments on the third week.

25 First of all, you have to understand that when the

1 announcement was made about Sonoma wanting their third week,
2 that put us in a situation where the Humboldt County Fair
3 would have to move a week later in the calendar. And they
4 always have the same concerns about the educational issues
5 and the kids and their livestock, but they've agreed to
6 that, and we also talked about having a third week.

7 When you talk about the number of horses, last
8 year we had 5.02, which was less than we had this year.
9 Every year, Ferndale is basically in that category. You
10 know, I can't applaud it or say negatively against it, it is
11 what it is. And if you've been up there, great fans, they
12 have a good time, and it's just a good atmosphere.

13 And I believe that with the third week also, and
14 also you've changed the playing field in Northern
15 California, you're not looking at Golden Gate anymore,
16 you're looking at, most likely in this case, the horses will
17 be positioned at Santa Rosa, just south of Ferndale, which
18 is easier to move for them, and we expect to have a better
19 support.

20 COMMISSIONER HUDNUT: Santa Rosa is just south of
21 Ferndale?

22 MR. SWARTZLANDER: 220 miles, basically. It is
23 shorter than Golden Gate, though. I'll close with that.

24 CHAIR FERRARO: CTT, you want to make a comment
25 here? Alan, no comment?

1 (Off mic colloquy)

2 MR. FUSSELL: It's definitely regarding this
3 agenda item. Thank you. My name is Morgan Fussell. I'm a
4 Northern California resident for 37 years. I'm the managing
5 member of Hoof Pick Racing Partners. We're small breeders,
6 small California breeders and owners, and we race in both
7 the north and the south.

8 On behalf of all horsemen, I wanted to thank the
9 Board for supporting the six-month extension at Golden Gate
10 Fields. This will allow all stakeholders, you know, the
11 necessary time to come up with successful -- with a
12 successful transition plan. I'm confident that our industry
13 can come together to provide the strategy for the north.

14 I ask the Board to be supportive of what the north
15 decides. If the north is going to have a future, we need to
16 think outside the box and create a new model.

17 CARF has been very successful for decades. Their
18 success is clearly tied around racing in the north, and
19 without the right strategy, they will not survive. The
20 California breeding and racing industry, the entire
21 ecosystem as we know it, will not survive.

22 Years ago, The Stronach Group took a huge leap on
23 the purchase of Golden Gate Fields. It was a business
24 decision that banked on policy changes that would have
25 allowed additional income streams like sports betting, horse

1 racing machines, and slot machines, et cetera. This model
2 has proven success across the country, and many racetracks
3 have successfully partnered with Indian Gaming and others.

4 San Anita and Del Mar are some of the finest
5 racing facilities in the country, the major leagues, if you
6 will. Racing in the north are their farm clubs, the minor
7 leagues. Horses, like baseball players, are often shuttled
8 between the majors and the minors. The north and the south
9 need each other to survive.

10 That concludes my testimony. I just want to thank
11 the Board for all their support.

12 CHAIR FERRARO: Thank you for your comments.

13 Do we have any other public comments, Michael?

14 Nothing?

15 All right, do we have some questions from the
16 Board members?

17 VICE CHAIR GONZALES: Mr. Chairman?

18 Thank you for that overview, Scott.

19 I first wanted to say to all the horsemen who came
20 together, things looked dire a month or month and a half
21 ago, and I just believe that the leadership stepped up, so I
22 really want to just say thank you to each and every one of
23 you. We definitely want to reassure Northern California
24 horsemen, breeders and owners in particular, that racing
25 will continue and that this Board is going to do everything

1 we can.

2 The only thing that I will say, and just kind of
3 as a reminder, mainly to us here, is, you know, by
4 allocating dates doesn't mean we're approving. You know,
5 there still is a license that we have to issue.

6 And, Bill, appreciate your comment because you're
7 right, we want to make sure that racing is safe, and I
8 believe that with input from Dr. Blea and his team on the
9 veterinarian end, if there is an assessment that go on an
10 extra week from their professional standpoint would be
11 stretching it, then we could then examine and look at that.

12 I had a chance to meet with Larry. I believe that
13 as we plan on racing more at the CARF facilities, more needs
14 to be done just to make sure that horses and horsemen are
15 taken care of, that the right protocol are in place and that
16 there's just over-communication about what we're trying to
17 accomplish on the safety, on the safety front.

18 So, Larry, I do appreciate your leadership. I
19 know it's been a busy time for you over the last 45 days,
20 but you've managed to pull the people together, and with the
21 help of others in this room, and in particular The Stronach
22 Group for agreeing to give the extra six months. It's a
23 relief to many, so just want to say thank you.

24 But again, as it relates to that third week in
25 Ferndale, I'd be inclined to support, although as we get

1 closer, because you would have to submit a license, we would
2 then just determine at that point. But I think having
3 placeholders in to the calendar as much as possible, I think
4 would be, would be a positive step.

5 That's all I have, Chairman.

6 CHAIR FERRARO: Anyone else? Yeah.

7 EXECUTIVE DIRECTOR CHANEY: Thank you, Mr.
8 Chairman. I hate to be sort of the, yeah, the negative in
9 the room, but I just, I feel, we'd be remiss if we didn't
10 talk about the elephant in the room, and that's what's going
11 to happen come, what's the day, the 11th of September 2024,
12 right, and what happens once Golden Gate Fields is no longer
13 racing, and they're would have normally supposed to open
14 again.

15 I mean, it seems to me that there are kind of two
16 possibilities out there, and that's CARF's capital racing,
17 which is a racing entity separate from the current fair
18 racing, whether they'll be able to find a home for dates and
19 make more of a year-round racing calendar, or are we looking
20 at a really great fair season each summer and trying to take
21 care of those horses that might not have a place to run in
22 Southern California, either at Los Alamitos, Santa Anita,
23 and so on, and so I think that's what's facing the industry
24 going forward.

25 So we've kind of kicked the can down the road a

1 little bit. And I really appreciate, I mean, I have to
2 thank publicly the, The Stronach Group for extending those
3 six months. I think it's really helpful to the industry.
4 We made a formal request that they do that. And I don't --
5 not that I think they're just responding to us, but I think
6 it's extremely helpful to the industry, but the hard
7 decisions are just, we just forestalled them for a few more
8 months. So come September 11th, we're going to be facing
9 some serious issues.

10 To the extent that capital racing will be seeking
11 dates, I think it's important to point out that the sooner
12 the better, because we have, you know, humans and horses
13 that we have to think about come the end of fair racing next
14 year.

15 Thanks, Mr. Chairman.

16 CHAIR FERRARO: Comments from the Commissioners?
17 Anyone?

18 Well, we're going to need a motion to move
19 forward, so I'll make it, that we accept the dates as
20 provided to us from the industry currently, with the
21 understanding that we're not blocked into any particular
22 date or any particular number of weeks, we'll address that.
23 If changes are needed or necessary, the Board will reserve
24 that option. Other than that, I think we should move
25 forward with what plan we have right now.

1 EXECUTIVE DIRECTOR CHANEY: Just a clarification,
2 Mr. Chairman. So you're proposing, your motion is to
3 approve the 2024 Nor Cal race dates that were memorialized
4 with the CHRB-proposed schedule in the Board packet, as well
5 as, if I can add to it, the Watch and Wager Cal Expo
6 Standardbred dates from 12/26 to 05/07, which would complete
7 their, their winter season.

8 CHAIR FERRARO: That's exactly what I meant.

9 VICE CHAIR GONZALES: I'll second that, Mr.
10 Chairman.

11 CHAIR FERRARO: Commissioner Hudnut?

12 COMMISSIONER HUDNUT: Yes.

13 CHAIR FERRARO: Commissioner Alfieri?

14 COMMISSIONER ALFIERI: Yes.

15 CHAIR FERRARO: Commissioner Castellanos?

16 COMMISSIONER CASTELLANOS: Yes.

17 CHAIR FERRARO: Commissioner Gonzales?

18 VICE CHAIR GONZALES: Yes.

19 CHAIR FERRARO: Commissioner Mitchell?

20 COMMISSIONER MITCHELL: Yes.

21 CHAIR FERRARO: Commissioner. Davis?

22 COMMISSIONER DAVIS: Yes.

23 CHAIR FERRARO: And the Chairman votes yes. Thank
24 you very much.

25 MR. SWARTZLANDER: Thank you.

1 MS. BARTLING: Thank you.

2 CHAIR FERRARO: Good luck to you.

3 Item number four, discussion and action by the
4 Board on the Application for a License to Conduct a Horse
5 Race Meeting of the Pacific Racing Association at Golden
6 Gate Fields, commencing October 18th, 2023 through December
7 19th, 2023, inclusive.

8 Mr. Sindler, David Duggan, go ahead, please.

9 MR. SINDLER: Good morning. This is Eric Seller
10 on behalf of Golden Gate Fields, and I'm joined by David
11 Duggan, General Manager, and William Rizzuto, the Assistant
12 General Manager. As just noted, we are requesting our
13 traditional fall race dates. All application materials have
14 been submitted, and David and Will will be talking a little
15 bit about the meet.

16 MR. DUGGAN: Morning, Mr. Chairman and fellow
17 Commissioners. Yeah, this is a pretty standard meet for us
18 for those prescribed times. The feature of that meet will
19 be what used to be the Berkeley Handicap is now going to
20 revert to what it originally was, which is the Golden Gate
21 Handicap, which is a grade three race over a mile and 16th,
22 that will be the highlight of that meet, and obviously we're
23 looking forward to it. We've got a couple of weeks break
24 coming up whilst they go to Fresno, but no big surprises, I
25 don't believe, in our application.

1 And we'd be very obliged if you would grant us
2 approval to race.

3 CHAIR FERRARO: Are you planning -- excuse me for
4 interrupting -- are you planning on staying with your Monday
5 date?

6 MR. DUGGAN: Yeah, I am planning. Pardon me, Mr.
7 Chairman. Yes, I am planning on staying with racing
8 Saturday, Sunday and Monday. If you would oblige him for
9 one second, I wanted to just make some comment about that.

10 It's been very well received. It isn't blowing
11 the doors off just yet. We've only got a sample of three
12 Mondays. We're racing against Philadelphia Park or Parks
13 and Horseshoe Indy, but we're getting a lot of coverage,
14 which is a big plus. Typically we've run -- I'm taking
15 Labor Day out of this equation for the purposes of what I
16 wanted to say, it's going well. We've actually, amazingly,
17 had people on the premises on a Monday. It's been very busy
18 on Saturdays and Sundays and that may have something to do
19 with the current climate.

20 Where we are having a small struggle on a Monday,
21 however, is that some of the OTBs are not opening on Monday,
22 which is disappointing. San Mateo has not opened once,
23 apart from Labor Day. Monterey have not opened once, apart
24 from Labor Day. And recently there was an application from
25 Fresno to not open during that period of time. It's my

1 understanding that those are licensed premises. Whilst
2 there would be an adjustment in their level of profitability
3 having to open on a Monday, I do think it's a little
4 disappointing to wave the white flag so early in this
5 experiment, if you like.

6 Things are constantly evolving. We read the
7 reports right across the nation on the various financial
8 situations with regard to race meets, whether it be on the
9 East Coast or on the West Coast. And frankly, it's not a
10 particularly great picture just at this time.

11 So I think we need every single bit of help we can
12 get. And I'd like some guidance from the Board with regard
13 to the possibility of asking those OTBs to open on a Monday
14 to help the sport in general.

15 CHAIR FERRARO: Mr. Chaney, what are our options
16 with that?

17 EXECUTIVE DIRECTOR CHANEY: Yeah, good question.
18 I'd sort of like to hear from Larry Swartzlander from
19 NOTWINC to see if he has any comments. But there, we're
20 kind of working through, and Mr. Duggan did bring this up to
21 the staff last week, and we're working through the legal
22 analysis. I mean, at this point, the B&P Code is fairly
23 clear that if there is live racing that the satellites need
24 to be open. So we are in the process of trying to figure
25 out -- unless they're sustaining a loss, but there's a

1 specific way in which they have to demonstrate to the Board
2 that they're sustaining a loss, and then the host has a
3 chance to make up for that.

4 So that's where we are right now. I don't have
5 anything definitive, but short answer right now is I think
6 they should stay open on Mondays while the Golden Gate Field
7 is running.

8 MR. SWARTZLANDER: Yeah. Larry Swartzlander. I'll
9 speak as the president NOTWINC now.

10 The situation is simply this, it's financial. You
11 know, by code, all the satellites are -- not all, but any
12 satellite can request that they do not run during a certain
13 period because financially they're not making any money.
14 That was the case that just concurrently happened with
15 Fresno. We've had it happen several times in the south.
16 Southern satellites, the same thing with Los Alamitos and
17 Cal Expo.

18 It's just simply business. If you don't make any
19 money, the satellites and fair grounds, they just, they have
20 the opportunity -- or not opportunity, but the right to
21 close, and that request goes to me and CHRB.

22 CHAIR FERRARO: So do we have the option to
23 intercede with the ones that aren't opening up on Golden
24 Gate's behalf to have them demonstrate to us the financial
25 situation?

1 EXECUTIVE DIRECTOR CHANEY: Yeah, my reading of
2 the law is that they are required to be open and that we
3 don't need to grant requests to -- I mean staff doesn't need
4 to grant requests to close. And then at a future meeting,
5 if the satellite is so interested, they can present to the
6 Board who then makes a decision with respect to whether
7 they're, you know, making money or not. But they would have
8 to provide evidence to the Board itself in order to prove
9 that they're operating in a loss.

10 And then, frankly, Golden Gate Fields would have
11 an opportunity to make up for that loss and keep them open
12 regardless.

13 CHAIR FERRARO: So will we ask them to make those
14 presentations at our next meeting?

15 EXECUTIVE DIRECTOR CHANEY: Yes, we can. In the
16 meantime, the Board could express an interest in Mr.
17 Swartzlander that those satellites remain open on Mondays as
18 required by the law.

19 CHAIR FERRARO: Correct. Correct. Okay.

20 Do we have any questions or comments from the
21 Board? Do we have any? None?

22 Michael?

23 Do we want to make a motion to approve the dates?

24 COMMISSIONER HUDNUT: I'll move approval of the
25 Golden Gate dates.

1 COMMISSIONER ALFIERI: I'll second it.

2 EXECUTIVE DIRECTOR CHANEY: Just a word of
3 clarification, we're actually approving there the Golden
4 Gate Fields racing license.

5 COMMISSIONER HUDNUT: Correct.

6 EXECUTIVE DIRECTOR CHANEY: -- just to make it
7 clear.

8 CHAIR FERRARO: Yeah.

9 COMMISSIONER HUDNUT: Actually it's the
10 application for license.

11 CHAIR FERRARO: Commissioner Davis?

12 COMMISSIONER DAVIS: Yes.

13 CHAIR FERRARO: Commissioner Mitchell?

14 COMMISSIONER MITCHELL: Yes.

15 CHAIR FERRARO: Commissioner Gonzales?

16 VICE CHAIR GONZALES: Yes.

17 CHAIR FERRARO: Commissioner Castellanos?

18 COMMISSIONER CASTELLANOS: Yes.

19 CHAIR FERRARO: Commissioner Alfieri?

20 COMMISSIONER ALFIERI: Yes.

21 CHAIR FERRARO: Commissioner Hudnut?

22 COMMISSIONER HUDNUT: Yes.

23 CHAIR FERRARO: The Chairman votes yes.
24 Carry on gentlemen. Good luck to you.

25 MR. DUGGAN: Thanks, Mr. Chairman.

1 CHAIR FERRARO: Item number five, discussion and
2 action by the Board on the Application for a License to
3 Conduct a Horse Race Meeting at the Big Fresno Fair at
4 Fresno, commencing October 4th, 2023 through October 17th,
5 2023, inclusive.

6 You're back again.

7 MR. SWARTZLANDER: I'm back again. I'm Larry
8 Swartzlander. I'm the Director of Racing at Fresno Fair.
9 Anyway, I'm the Director of Racing at Fresno.

10 I'd just like to point out that the Fresno Fair,
11 we have the same purse structure we've had at the other
12 fairs, the same incentives, except we do add one major
13 incentive at Fresno that we don't have at the other fairs.
14 It's a trainer award. So the outstanding trainer will get
15 \$10,000. And we play down to five places. So that is a big-
16 big plus, too, for a competition.

17 The Fresno Fair has several great marketing
18 techniques, a lot of social media. Between every race
19 you'll see something going on at Fresno. We're right next
20 to Fresno State, also. Come down the first weekend on
21 Friday afternoon and you'll be amazed. It's a great fair.
22 And I certainly ask you all to come down and visit.

23 Thank you.

24 CHAIR FERRARO: Questions or comments from the
25 Board? Do we have a motion?

1 COMMISSIONER HUDNUT: I move approval.
2 COMMISSIONER CASTELLANOS: Second.
3 CHAIR FERRARO: Commissioner Davis?
4 COMMISSIONER DAVIS: Yes.
5 CHAIR FERRARO: Commissioner Mitchell?
6 COMMISSIONER MITCHELL: Yes.
7 CHAIR FERRARO: Commissioner Gonzales?
8 VICE CHAIR GONZALES: Yes.
9 CHAIR FERRARO: Commissioner Castellanos?
10 COMMISSIONER CASTELLANOS: Yes.
11 CHAIR FERRARO: Commissioner Alfieri?
12 COMMISSIONER ALFIERI: Yes.
13 CHAIR FERRARO: Commissioner Hudnut?
14 COMMISSIONER HUDNUT: Yes.
15 CHAIR FERRARO: The Chairman votes yes.
16 Move on.
17 MR. SWARTZLANDER: Thank you.
18 CHAIR FERRARO: Do you run a car wash, too?
19 (Laughter)
20 CHAIR FERRARO: Number six, discussion and action
21 by the Board regarding the proposed amendment of CHRB Rule
22 1866.3, Intra-articular Injections Restricted -
23 COMMISSIONER HUDNUT: You skipped five.
24 CHAIR FERRARO: -- these are steroid injections,
25 restricted, to prohibit intra-articular joint injections

1 into a high-motion joint unless diagnostic images is
2 performed.

3 EXECUTIVE DIRECTOR CHANEY: Mr. Chaney?

4 EXECUTIVE DIRECTOR CHANEY: Sure. I'm kind of the
5 Larry Swartzlander of CHRB staff here today.

6 So this is a concept that both Dr. Ferraro and Dr.
7 Blea have put forward. Frankly, with the advent of HISA and
8 their preemption, a lot of the safety and medication rules,
9 we are kind of looking for ways where we can kind of push
10 the envelope and be testing ground for potentially national
11 regulation.

12 As I spoke about last week, last month, rather,
13 the HISA regulation regarding fetlock joints rolled back our
14 30-day stand-down period before races with respect to
15 corticosteroids. We've been working with HISA to try to
16 amend it to go back to the 30 days in their latest rounds of
17 amendments, and I think that's going well.

18 But this is yet another way, and what we're
19 looking to do is to require some sort of diagnostic imaging
20 when trainers and veterinarians want to inject
21 corticosteroids into high-motion joints, which are defined,
22 I'll just use the layman's terms, as knees or ankles.

23 If you need further, more scientific information,
24 I'm sure Dr. Blea can provide it.

25 CHAIR FERRARO: Given the fact that there are

1 other options for medication to be used within the joint, I
2 understand this increases expense for owners because they
3 have to have additional diagnostics before they inject if
4 they're going to use corticosteroids, but they have other
5 options. They can use other agents.

6 So if they're going to use steroids for the
7 protection of the horse, I think it's only prudent that we
8 request diagnostics beforehand.

9 Go ahead.

10 MR. NADER: Thank you, Chairman, and the TOC
11 appreciates the concerns that are raised.

12 The only thing that we would say, and I know this
13 can be difficult, but with the implementation of HISA, it
14 was our hope that the sport would move together in
15 uniformity and that we would do things together. And I
16 realize there are probably some obstacles to overcome to
17 make that vision a reality, but it's one of the things that
18 we really did buy into from the very beginning, that the
19 sport would benefit greatly if we would have uniform rules
20 across all 50 states. And I just wanted to voice that in
21 terms of on a going forward basis, wherever possible.

22 And I know that, you know, in our state,
23 mitigating measures and everything we can do, we get that.
24 But in a perfect world, if we could do it in unison, we
25 think it would be much more beneficial. And the costs

1 certainly are a concern, but obviously safety and welfare is
2 very important, so we understand the tradeoff.

3 CHAIR FERRARO: We don't disagree in terms of
4 trying to have universal rules, but someone has to provide
5 the leadership, and HISA has kind of put the finger on us.
6 We're the point of the spear, you do it first, if it works
7 out, we'll consider adopting it nationwide. So that's where
8 we are.

9 VICE CHAIR GONZALES: Quick question though.

10 Bill, so what's the TOC's position on this
11 particular proposal? Is it - I mean, can you -- I know you
12 expressed it. It sounds like there are some concerns, but
13 is this -- are you guys opposed?

14 MR. NADER: A lot of owners are concerned with
15 increasing costs, which I think Chairman referenced. And
16 it's a little bit -- well, it's a lot more expensive, I
17 think, in California than some other states, and we
18 recognize that, and we accept that. But, you know, too, you
19 know, if the -- if HISA were to adopt the 30-day rule that
20 California had on fetlocks, that would be a big step
21 forward, and maybe this, we've talked about this, this might
22 be less of a concern.

23 But it seems like we're not -- and again, no fault
24 of anyone, and no blame of anyone, but we're not working the
25 way we would have hoped with the implementation of HISA,

1 that with uniformity, it would be something that could be
2 realized without having to implement new policies along the
3 way that put us a little bit in isolation with other states.

4 And I certainly appreciate the Chairman's view and
5 understand the direction, but it's just something that if it
6 was -- wherever possible, where we can work together as an
7 industry and move at the same pace, that would be
8 appreciated. But certainly, the costs are a concern, and
9 it's something that we have to deal with.

10 VICE CHAIR GONZALES: The only follow-up that I
11 have really is, I mean, you follow racing pretty closely,
12 and you saw what Saratoga went through, and one of the more
13 catastrophic breakdowns that they had was a horse that was,
14 I would use the word, overly injected, you know? And those
15 are the kinds of things that we're trying to avoid. And had
16 the California rule been in a place in Saratoga, that horse
17 would not have been injected 15 days, and then he wins by
18 several lengths, and then they come back and inject him
19 again, and he, you know, looked like he was appearing to win
20 before he breaks down.

21 So you understand what we're trying to do here;
22 right, Bill?

23 MR. NADER: Right.

24 VICE CHAIR GONZALES: And I get the cost factor.
25 But to not fix an issue, fix a problem, you think the owners

1 are worried about costs now, the costs just go much higher
2 for the entire industry, and we saw that back in 2019.

3 So I do appreciate where the TOC's at. And just
4 the previous statement up here was concerned about a third a
5 week at Ferndale because of safety reasons, and now you're
6 coming back and you're -- so I want to know which TOC is
7 showing up here at the podium.

8 MR. NADER: Well, the TOC at the podium today is
9 that we support the 30-day rule, which HISA has not adopted,
10 and we believe the 30-day rule makes better sense instead of
11 the 14-day, so we're behind that. We live that. That's
12 certainly not an issue. We accept that and we trumpet that.
13 We want that.

14 So hopefully in the coming weeks or very soon,
15 HISA will adopt the California policy on 30 days as opposed
16 to 14 days, and we think that would be a major step forward.
17 And then from there, we think that the sport at large,
18 because you mentioned New York, what happens in New York is
19 bad for the industry, you know, across the entire industry.
20 It's something that we all have to live with, and we all
21 suffer from those kind of incidents.

22 So anything that we could, if HISA could adopt the
23 30-day rule on fetlocks, and then going forward we could
24 work in unison, that's what we're promoting here, that we do
25 it together.

1 VICE CHAIR GONZALES: I appreciate the
2 clarification. Thank you, Bill.

3 CHAIR FERRARO: Bill, the issue here is steroids
4 are dangerous. Everybody knows that. What we're trying to
5 do is minimize their use within racing. So a rule like
6 this, if you want to use steroids, we're asking you to take
7 an extra step to make sure your horse is capable of
8 performing without hurting himself before you put the
9 steroids in there. There are other agents, multiple agents
10 out there that could be used that we're not asking for a
11 diagnostic imaging ahead of time.

12 But as I keep explaining to the veterinarians all
13 the time, what we're pushing for is diagnostics, not
14 treatments. We need diagnostics. If we don't diagnose
15 these things properly we're going to continue to have
16 breakdowns.

17 So that approach, plus the knowledge that steroids
18 and high-speed training are a very dangerous combination, so
19 that's where we're coming from. I just want TOC to
20 appreciate that.

21 MR. NADER: Yeah, we do. And I think my comments,
22 just so they're not taken out of context, are probably more
23 directed at HISA, that somehow we do find a way to work
24 together.

25 CHAIR FERRARO: So are ours, Bill.

1 MR. NADER: Thank you, Chairman.

2 CHAIR FERRARO: Thanks.

3 Any questions or comments from the Board?

4 Michael, public? Nothing?

5 Do I have a motion?

6 COMMISSIONER DAVIS: Davis moves.

7 COMMISSIONER MITCHELL: Second.

8 CHAIR FERRARO: Okay. Commissioner Hudnut?

9 COMMISSIONER HUDNUT: Yes.

10 CHAIR FERRARO: Commissioner Alfieri?

11 COMMISSIONER ALFIERI: Yes.

12 CHAIR FERRARO: Commissioner Castellanos?

13 COMMISSIONER CASTELLANOS: Yes.

14 CHAIR FERRARO: Commissioner Gonzales?

15 VICE CHAIR GONZALES: Yes.

16 CHAIR FERRARO: Commissioner Mitchell?

17 COMMISSIONER MITCHELL: Yes.

18 CHAIR FERRARO: Commissioner Davis?

19 COMMISSIONER DAVIS: Yes.

20 CHAIR FERRARO: The Chairman obviously votes yes.

21 Thank you very much.

22 Item number seven, discussion and action by the
23 Board regarding the proposed amendments of CHRB Rule 1481,
24 Occupational Licenses and Fees, CHRB Rule 1483, Application
25 for License, CHRB Rule 1486, Term of License, and CHRB Rule

1 1487, Licenses to Amend CHRB Occupational License Types,
2 Fees, and Requirements.

3 Mr. Chaney, can you explain that to us, please?

4 EXECUTIVE DIRECTOR CHANEY: Sure. Yes. Thank
5 you, Mr. Chairman. It's kind of funky, and it's fairly
6 administrative, but important to the Board as well. I
7 really appreciate all the staff's work over the last few
8 months.

9 This comes to the Board based on a confluence of
10 factors, I would say. As the Board might remember, we
11 created a new license application. There were several
12 different versions and different kinds. There's now one,
13 which we simplified. Really appreciate Mark Schall's
14 (phonetic) work on that. And this is kind of the second
15 step, and we're proposing it to the Board for several
16 reasons.

17 Number one, we do background checks for employees
18 and licensees based on fingerprints submitted to the FBI.
19 The FBI is requiring, from a lot of state departments in
20 California, that license categories, A, be simplified, and
21 more importantly, be defined specifically. We had upwards
22 of 200 license categories that just seemed to kind of be
23 added and added and added over the years to the point that
24 we had a cat feeder license at Golden Gate Fields. So this
25 is an effort to simplify the license categories and comply

1 with the FBI ask.

2 And then additionally, as the Board knows,
3 occupational license fees and penalty money is put into a
4 Safety Fund and was taken away from the General Fund sent to
5 horse racing a few years ago by the legislature.
6 Unfortunately, HISA now takes the lion's share of our
7 penalty money for medication violations and crop violations.
8 So we're looking at a diminution in that Safety Fund. So
9 this, with the new pay structure, the license fee structure,
10 that will seek to generate around \$150,000, which will
11 replace that penalty money.

12 Lastly, we're also trying to just simplify the
13 cost and the way in which we go about it. There are
14 basically four fees, \$50, \$100, \$150, \$200, which are a lot
15 less than most occupational licenses around the state. And
16 we got rid of the one year license, which applied to some
17 and made it a three year license for all. Complete
18 transparency, probably the biggest jump is for owners, which
19 goes from \$150 to \$200 for three years, so about a \$17.00
20 increase per year. No other licenses go up more than \$25
21 over three years, so \$8.00.

22 We've also had increased staff and fingerprinting
23 costs, I should add.

24 There is one license, well, one category of
25 licenses that will go down, and that's stable area

1 employees. We thought that was the right thing to do. They
2 currently have a \$25.00 per year license fee. We got rid of
3 the one year license, made it a three year license like the
4 rest, and make it \$50.00. So in effect, it goes from \$75.00
5 to \$50.00 for the three years.

6 So it's presented to the Board for your
7 consideration.

8 CHAIR FERRARO: Questions or comments from the
9 Board?

10 COMMISSIONER HUDNUT: It all seems very sensible.
11 I move approval.

12 COMMISSIONER CASTELLANOS: Second.

13 CHAIR FERRARO: Do we have any public comment?
14 No.

15 And who's the second?

16 COMMISSIONER CASTELLANOS: Castellanos.

17 CHAIR FERRARO: Okay.

18 Commissioner Davis?

19 COMMISSIONER DAVIS: Yes.

20 CHAIR FERRARO: Commissioner Mitchell?

21 COMMISSIONER MITCHELL: Yes.

22 CHAIR FERRARO: Commissioner Gonzales?

23 VICE CHAIR GONZALES: Yes.

24 CHAIR FERRARO: Mr. Hudnut?

25 COMMISSIONER HUDNUT: Yes.

1 CHAIR FERRARO: Commissioner Alfieri?

2 COMMISSIONER ALFIERI: Yes.

3 CHAIR FERRARO: Commissioner Castellanos?

4 COMMISSIONER CASTELLANOS: Yes.

5 CHAIR FERRARO: And the Chairman votes yes.

6 Moving on to item number eight, discussion and action by the
7 Board regarding the proposed amendment of CHRB Rule 1693,
8 Control of Horses and Jockeys Entering the Track, to
9 prohibit manipulation of a horse's ear for the purposes of
10 controlling the horse.

11 Mr. Chaney?

12 EXECUTIVE DIRECTOR CHANEY: Thank you, Mr.

13 Chairman.

14 As the Board may or may not know, obviously horses
15 can be quite difficult and dangerous in the starting gate,
16 both for the assistant starter and the jockey. One thing
17 that occurs in racing with some frequency in California and
18 around the country is manipulating the horse's ear in the
19 starting gate in order to control it. That can just be
20 simple little twisting, but it can include biting.

21 The stewards for a number of years have tried to
22 work with starters to get rid of this practice just sort of
23 by policy or administratively. To date, that has been
24 unsuccessful; there was a pretty well publicized case at Del
25 Mar about a month ago.

1 So staff is proposing to make it a regulatory
2 violation to manipulate a horse's ear in the starting gate
3 in this manner. We just think in 2023, horses should be
4 either better schooled or find other ways to control horses.

5

6 CHAIR FERRARO: Questions or comments from the
7 Board? Commissioner Castellanos?

8 VICE CHAIR GONZALES: Yes. Commissioner Gonzales
9 here.

10 Just a quick question, Scott. How about morning
11 activity, is there any -- will this carry over into any
12 practices? Because a lot of training and so forth happens
13 during the morning hours. So if this were to happen and,
14 you know, it's observed that this practice is happening in
15 the morning, so just some clarification.

16 EXECUTIVE DIRECTOR CHANEY: That's a really good
17 question.

18 CHAIR FERRARO: It is.

19 EXECUTIVE DIRECTOR CHANEY: I'm just looking over
20 the rule right now. I mean, my quick and dirty legal
21 interpretation was that it applies to races because, you
22 know, this particular regulation refers to the start. Gate
23 schooling.

24 COMMISSIONER HUDNUT: Gate schooling.

25 EXECUTIVE DIRECTOR CHANEY: Yeah, I'm just

1 wondering if it's appropriate to try to do it right now, to
2 insert some language that the Board can send out, because
3 what you're doing is sending this out for 45-day comment, or
4 if there's a better regulation where that language should be
5 inserted. I actually think it's probably better inserted
6 somewhere else because this is about the starter and control
7 of the starting when the horses come on the track for a
8 race.

9 So I would recommend if the Board sees fit to go
10 ahead and send this out for 45-day comment and staff can
11 bring a different reg amendment next month addressing that
12 concern as well.

13 VICE CHAIR GONZALES: Okay.

14 COMMISSIONER HUDNUT: I have a question of the
15 Chairman. In his vast experience with race horses, do ears
16 get hurt by assistant starters?

17 CHAIR FERRARO: Most of the time, no, but it is
18 possible to hurt one if you get carried away.

19 COMMISSIONER HUDNUT: It is?

20 CHAIR FERRARO: Yeah.

21 COMMISSIONER HUDNUT: It is?

22 CHAIR FERRARO: I mean, I don't think there's
23 probably a horseman out there that's been around for very
24 long and hasn't reached up and grabbed an ear under one
25 circumstance or another.

1 COMMISSIONER HUDNUT: I agree, yeah.

2 CHAIR FERRARO: So it would be a hard habit to
3 break. It depends on, you know, the way you handle the
4 situation and how aggressive you are, really.

5 COMMISSIONER HUDNUT: Yeah.

6 CHAIR FERRARO: If you're in a wild horse race,
7 you're pretty aggressive.

8 COMMISSIONER HUDNUT: Yeah.

9 CHAIR FERRARO: You know, if you're in a starting
10 gate, I mean, it's a method. I think from a public point of
11 view, it probably looks pretty bad, yeah.

12 COMMISSIONER HUDNUT: How common is biting, ear
13 biting?

14 CHAIR FERRARO: Again, if you're in a wild horse
15 race, it's really common, yeah.

16 COMMISSIONER HUDNUT: Really?

17 CHAIR FERRARO: You will do it yourself to get on.
18 But, yeah, I don't think it's that common in stable gate,
19 but that's one thing that we should not permit. Yeah,
20 that's not okay.

21 COMMISSIONER HUDNUT: Okay. I'm with you. Just
22 curious. Thank you.

23 CHAIR FERRARO: Commissioner Castellanos, do you
24 have a comment? They're your guys.

25 COMMISSIONER CASTELLANOS: Well, thanks for that

1 running over me with the bus.

2 You know, the crew has always done what is best
3 for the safety of the horses and the safety of the jockeys
4 and themselves. You get into a phone-box-type size, those
5 that remember a telephone box back in the day, a phone-box-
6 type size to put a horse in and your assistant starter, it's
7 tough for them. Of course, though, as Scott said, in
8 today's world, the optics is everything, and we need to make
9 sure we understand that, so I think we understand that.

10 CHAIR FERRARO: Let me just ask this question.

11 Is it possible to make an exception for the safety
12 of the rider or the assistant starter that we say ear
13 manipulation is not permitted unless excessive cases of
14 danger? I don't know how to phrase it. But what would that
15 be like, Mr. Cheney?

16 EXECUTIVE DIRECTOR CHANEY: Yeah. I mean, if
17 you're asking my opinion, I don't personally love that just
18 because I think that's what's going on right now. I don't
19 mean to imply that assistant starters overly use this or use
20 it just, you know, sort of as a routine means of controlling
21 horses.

22 CHAIR FERRARO: No.

23 EXECUTIVE DIRECTOR CHANEY: So I think they're
24 already using it, they would claim, for the most difficult
25 horses. But it does incentivize more schooling in the gate,

1 which frankly is something we could probably use in
2 California. Lots of other countries, if a horse breaks
3 poorly or is infructuous (phonetic) in the gate, they're
4 placed on a list and actually can't start until --

5 CHAIR FERRARO: Yeah.

6 EXECUTIVE DIRECTOR CHANEY: -- and/or the trainer,
7 himself or herself, is penalized for a slow start because
8 they view it as their fault.

9 So we can insert any language that you want. It
10 just, it feels like then you would put stewards in the
11 position of trying to decide whether the, you know, the
12 horse was acting up enough that warranted a --

13 CHAIR FERRARO: It puts them in the same position.

14 EXECUTIVE DIRECTOR CHANEY: -- an ear bite, yeah,
15 that we're already in.

16 CHAIR FERRARO: Yeah.

17 EXECUTIVE DIRECTOR CHANEY: I'm trying to be
18 completely transparent with the Board. So, you know,
19 assistant starters probably don't love this. And then
20 jockeys are probably sort of on both sides of the fence;
21 right? My experience has been that, you know, it's a
22 dangerous place for them and they want to be safe. At the
23 same time, they always seem to complain when an assistant
24 starter bites the horse's ear and then the horse invariably
25 gets off to a slow start.

1 CHAIR FERRARO: Any other comments from the Board?

2 COMMISSIONER HUDNUT: So biting doesn't sound very
3 effective then.

4 VICE CHAIR GONZALES: Well, the only thing I'll
5 say, Dr. Ferraro, is, you know, this is going to initiate
6 the process to give feedback. And you brought up a good
7 point in terms of where are the riders. I think they are
8 probably the most impacted, and so we'll see how this
9 evolves. But I do think reform includes taking a look at
10 antiquated practices and measures, and so we'll see how this
11 goes.

12 CHAIR FERRARO: Yeah, it's going out for 45 days.

13 VICE CHAIR GONZALES: Right.

14 CHAIR FERRARO: Does anybody want to make a motion
15 on this?

16 COMMISSIONER HUDNUT: Sure. I'll move approval of
17 the proposed amendment for 45-day review of Rule 1693.

18 COMMISSIONER ALFIERI: I'll second.

19 CHAIR FERRARO: Okay. Commissioner Davis?

20 COMMISSIONER DAVIS: Yes.

21 CHAIR FERRARO: Commissioner Mitchell?

22 COMMISSIONER MITCHELL: Yes.

23 CHAIR FERRARO: Commissioner Gonzales?

24 VICE CHAIR GONZALES: Yes.

25 CHAIR FERRARO: Commissioner Castellanos?

1 COMMISSIONER CASTELLANOS: Yes.

2 CHAIR FERRARO: Commissioner Alfieri?

3 COMMISSIONER ALFIERI: Yes.

4 CHAIR FERRARO: Commissioner Hudnut?

5 COMMISSIONER HUDNUT: Yes.

6 CHAIR FERRARO: The Chairman votes yes.

7 Moving on, discussion and action by the Board
8 regarding the proposed amendments of CHRB Rule 1840,
9 Veterinary Practices and Treatments Restricted, and 1890,
10 Possession of Contraband, to prohibit endoscopies and
11 medications administered via hypodermic needles or
12 nasogastric tubes except by authorized individuals, which in
13 my definition is veterinarians are their registered
14 veterinarians or their registered assistants.

15 Mr. Cheney?

16 EXECUTIVE DIRECTOR CHANEY: Yes. Thank you, Mr.
17 Chairman. This set of two amendments for two rules does two
18 things.

19 One, it clarifies both possession and use of
20 hypodermic needles. Frankly, everyone in the stable area
21 understands what the rules say. And recently in prosecuting
22 a case, we realized that there could be some clarification
23 with respect to who can possess hypodermic needles in a
24 regulated facility. That is veterinarians, RVTs and/or
25 their assistants, and then who can use them, and that's

1 limited to veterinarians and RVTs, so that we're just
2 seeking a clarification with that.

3 The second piece would be prohibiting the use of
4 an endoscopy or an endoscope by anybody but a licensed
5 veterinarian or an RVT. There are a few trainers who own
6 and use endoscope and scope their own horses.

7 In discussions with you and Dr. Blea, A, we don't
8 think the optics are great, B, there is some risk, C,
9 trainers would be practicing veterinary medicine without a
10 license, and D, if we want veterinarians to treat what these
11 findings are, they have to do the scope themselves. And so
12 in terms of like the wholistic approach for treating
13 anything that's discovered, it seems as if veterinarians
14 should be the ones who scope horses.

15 CHAIR FERRARO: Just to clarify that, given the
16 current enforcement of the California Practice Act towards
17 large animal veterinarians, if they're going to treat based
18 on the results of an endoscopic exam, they have performed an
19 endoscopic exam themselves, otherwise, it's going to be
20 charged against them for treatment with no diagnostic
21 procedure, so it's important that that happen.

22 Any questions? Go ahead. I'm sorry.

23 MR. NADER: Sorry, Chairman, if I could? I don't
24 know for the Board's consideration. I did look at states
25 like New York, Kentucky, Australia, and even the UK. There's

1 nothing that prohibits a trainer from scoping. Now I hear
2 everything that's been said.

3 And the only question I ask, again, for
4 consideration, is there any way to structure it in a way
5 that has guidelines that can accredit? You know, there
6 aren't many trainers that do it, but those who wish to do
7 it, whether there's anything that would accredit them to be
8 able to do it under certain guidelines that would be
9 provided or anything that we can do to find the art of
10 compromise?

11 It's just something we throw out for consideration
12 if it's possible. We would appreciate that, again, from a
13 cost-saving standpoint, and what some believe is a service
14 provision. You might have a different view on that, but
15 from some of our stakeholders, that's what we hear, so I
16 wanted to voice that, and whether there's some way to meet
17 in the middle and find compromise without sacrificing
18 integrity in the process.

19 CHAIR FERRARO: Yeah, I appreciate that. Again,
20 we're in California, where our Veterinary Medical Prentice
21 Act has defined scoping as the conduct of veterinary
22 medicine without a license.

23 So I don't know, Dr. Blea, do you have any
24 additional comments you want to make?

25 EQUINE MEDICAL DIRECTOR BLEA: I'm Dr. Jeff Blea,

1 Equine Medical Director.

2 While I certainly understand the concern of cost
3 to the owners, and I'm very aware of that, scoping a horse
4 is a veterinary procedure. Not every horse needs to be
5 scoped. The request to scope a horse is made by the trainer
6 based upon every horse that works, every horse that races,
7 or if a horse is coughing or suspicion of some sort of
8 disease entity such as bleeding or infection or noise.

9 So it's not a mandatory procedure. It's a
10 procedure that's an elective procedure, and as Dr. Ferraro
11 stated, it is a veterinary procedure that is regulated by
12 the California Board of Veterinary Medicine.

13 I sympathize with the TOC and their concerns.
14 What I worry about setting up guidelines to allow trainers
15 to perform this procedure is how do you regulate that? A
16 trainer scopes a horse, calls his veterinarian, says, go
17 treat this horse with antibiotics, set this horse up for
18 surgery. This horse has an entrapment. The veterinarian is
19 now liable because that veterinarian did not make a
20 diagnosis, but he's providing a trainer-driven treatment.

21 And if you've read the press, and if you haven't
22 read the press, you can read enough notifications on the
23 veterinary medical Board website, as well as other industry
24 articles about trainer-driven procedures.

25 This rule, in conjunction with agenda item number

1 six, is good veterinary practice. As a state, I think the
2 profession is interested in upholding good veterinary
3 medicine. It is costly, I agree, I understand, but I think
4 it's imperative that we let veterinary medicine remain in
5 the hands of the veterinarians.

6 CHAIR FERRARO: Thank you.

7 Any other comments or questions from the Board?

8 VICE CHAIR GONZALES: Yeah. This is very
9 intriguing here.

10 A quick question for you, Dr. Ferraro. So in
11 terms of -- so we're not going to allow for anyone other
12 than vets to scope, but what if -- a lot can go on and stall
13 in a shed row, as we know, but what if there is to be found
14 equipment that is observed by investigators that there's
15 scoping equipment that goes on, how do we -- I mean, if we're
16 going to put a rule, we have to almost anticipate that
17 people are going to try to skirt the rule.

18 So I just want to make sure that we are thinking
19 about, you know, those that still try to play on the margins
20 here.

21 CHAIR FERRARO: Mr. Chaney?

22 EXECUTIVE DIRECTOR CHANEY: Yeah, excellent
23 question, Mr. Vice Chairman. In fact, we had a pretty
24 robust conversation, Dr. Blea and Dr. Ferraro and I, about
25 how to write this rule. And I eventually won out and

1 they're kind of going with me, so I appreciate that. But we
2 went through a couple incarnations to try to figure out the
3 best way to ban this practice, like defining it. And we
4 ended up going with just what you said, and that's B, where
5 it says it makes it a violation to possess or use an
6 endoscope. So if a trainer even possesses one in a stable
7 area, that would be a violation.

8 So we're just, we're getting rid of the practice
9 and the equipment altogether, similar to hypodermic needles.

10 VICE CHAIR GONZALES: Right.

11 EXECUTIVE DIRECTOR CHANEY: That's why they're
12 together in this agenda item.

13 VICE CHAIR GONZALES: Okay. I just wanted to make
14 sure that that was --

15 CHAIR FERRARO: You could make a similar situation
16 to where a trainer had his own x-ray machine and he x-rayed
17 resources ankle, and then told his veterinarian, there's no
18 pathology or I want you to inject it, the veterinarian
19 injecting that ankle would be viable for malpractice.

20 VICE CHAIR GONZALES: Um-hmm.

21 COMMISSIONER HUDNUT: Yeah.

22 CHAIR FERRARO: It's not any different with an
23 endoscope or an x-ray machine or some other device, really.

24 Anyone else?

25 COMMISSIONER CASTELLANOS: Yes, Chairman. I'm

1 curious at the TOC's -- if you could expand a little bit on
2 the compromise that you guys were looking for?

3 MR. NADER: Well, the compromising I would suggest
4 would be at no -- in no instance could the trainer direct
5 the vet to treat the horse. You know, if he was to -- if he
6 or she was to scope the horse and the horse scoped clean,
7 obviously, no action is taken. If it was a dirty scope, in
8 his opinion, he would then or she would have to then inform
9 the vet, and then the vet would have to do its own due
10 diligence.

11 So in no instance would, in our compromise, would
12 the trainer have the authority or the opportunity to ever
13 direct the vet in any way for treatment, so I think that
14 would be the compromise I would suggest.

15 COMMISSIONER CASTELLANOS: Understood. Thank you.

16 COMMISSIONER HUDNUT: I think this is a very well-
17 intentioned proposal, and I'm not comfortable with laypeople
18 practicing medicine. I don't think it's good.

19 CHAIR FERRARO: Well, it's going out for 45

20 days -- COMMISSIONER HUDNUT: Well, I know it, yeah.

21 CHAIR FERRARO: -- so we can get the comments
22 back.

23 And I think we could proceed if you want to make a
24 motion to that, Mr. Hudnut?

25 COMMISSIONER HUDNUT: Certainly. I will move

1 approval of the proposed amendments of CHRB Rule 1840 and
2 1890.

3 COMMISSIONER CASTELLANOS: Second.

4 CHAIR FERRARO: Commissioner Davis?

5 COMMISSIONER DAVIS: Yes.

6 CHAIR FERRARO: Commissioner Mitchell?

7 COMMISSIONER MITCHELL: Yes.

8 CHAIR FERRARO: Commissioner Gonzales?

9 VICE CHAIR GONZALES: Yes.

10 CHAIR FERRARO: Commissioner Castellanos?

11 COMMISSIONER CASTELLANOS: Yes.

12 CHAIR FERRARO: Commissioner Alfieri?

13 COMMISSIONER ALFIERI: Yes.

14 CHAIR FERRARO: Commissioner Hudnut?

15 COMMISSIONER HUDNUT: Yes.

16 CHAIR FERRARO: And Commissioner Ferraro votes
17 yes.

18 Discussion and action by the Board regarding the
19 distribution of race day charity proceeds of
20 Watchandwager.com, LLC, from 2022-2023 race meet.

21 Nice to see you. I'm glad you're here.

22 MR. SCHICK: Good morning, Chairman Ferraro and
23 members of the Commission. Thank you. Nice to see you as
24 well. And the harness racing industry is very appreciative
25 of the allocation of our 2024 dates today. We opened our

1 barn area last Friday, and this week will be a significant
2 number of horses will be shipping in.

3 Regarding the distribution of our charity here, we
4 present our proposal for charitable distributions from our
5 last meet, all of them 100 percent horse-related
6 distributions.

7 And we did take note of the staff's note regarding
8 one of our charities, the Disabled Jockeys Fund. I think
9 they requested that we withhold payment on that portion of
10 it at this point because there's some technical issues
11 regarding that. So if that's the case, we will. If you
12 approve this, we'll make the rest of our distributions,
13 withhold that check until the staff approves that portion of
14 our distribution.

15 EXECUTIVE DIRECTOR CHANEY: Just one clarification
16 where the staff is not asking to withhold it.

17 MR. SCHICK: Oh.

18 EXECUTIVE DIRECTOR CHANEY: There are some --
19 every statutory distribution requires an auditing thing, and
20 the Disabled Jockeys Fund is a bit behind in their auditing,
21 so we would really prefer to handle this on a staff level,
22 if we, you know, in the future need some help from the Board
23 in terms of compliance. But we're not ready to recommend to
24 the Board withholding distribution of the Disabled Jockeys
25 Fund.

1 MR. SCHICK: Okay. Great.

2 CHAIR FERRARO: I see they've made quite a lot of
3 work on the track out here. Are you happy with it?

4 MR. SCHICK: Yeah, we've been working hard on it,
5 obviously, changing it over and getting it ready. And today
6 we were -- or the last three days, we've brought in a guy
7 that's really an expert grader. His name is John Bucullo
8 (phonetic), and he comes down every year and does our
9 grading. And yeah, we're working hard on it. We've
10 actually been on it since the last thoroughbred left here at
11 some point in August.

12 So, you know, we're fairly happy with it.
13 Obviously there's always a little bit of an issue with some
14 of the material that gets put in during the summer to absorb
15 the moisture in the track. And obviously, the last thing we
16 want in the winter is material in the track that would
17 absorb moisture. So it's a little bit of a challenge, but
18 you know, we deal with it every year. It's definitely
19 better this year than it was the prior year for sure.

20 CHAIR FERRARO: Oh, good. Good to hear.

21 Do we have a motion to approve?

22 VICE CHAIR GONZALES: Gonzales moves.

23 COMMISSIONER DAVIS: Davis second.

24 CHAIR FERRARO: Commissioner Hudnut?

25 COMMISSIONER HUDNUT: Yes.

1 CHAIR FERRARO: Commissioner Alfieri?

2 COMMISSIONER ALFIERI: Yes.

3 CHAIR FERRARO: Commissioner Castellanos?

4 COMMISSIONER CASTELLANOS: Yes.

5 CHAIR FERRARO: Commissioner Gonzales?

6 VICE CHAIR GONZALES: Yes.

7 CHAIR FERRARO: Commissioner Mitchell?

8 COMMISSIONER MITCHELL: Yes.

9 CHAIR FERRARO: Commissioner Davis?

10 COMMISSIONER DAVIS: Yes.

11 CHAIR FERRARO: The Chairman votes yes. Thank
12 you.

13 MR. SCHICK: Thank you.

14 CHAIR FERRARO: Carry on.

15 All right, moving on to item number 11, Executive
16 Director's Report and Equine Medical Director's report.

17 EXECUTIVE DIRECTOR CHANEY: Thank you, Mr.
18 Chairman, and good morning Commissioners. I will begin and
19 end with the handle report. You've heard enough from me
20 today.

21 For the month of August, day racing handle was
22 down 10 percent, night racing handle was down 12 percent,
23 and total handle is down 10 percent as compared to August of
24 2022. Year to date, day racing is down 7 percent, night
25 racing is down 9 percent, and total handle is down 7 percent

1 as compared to the first eight months of 2022.

2 And that, Mr. Chairman, is my report.

3 CHAIR FERRARO: Sorry to hear all that.

4 Dr. Blea?

5 MR. BOYERS: That was so short, I didn't have a
6 chance to complete mine. Wow. Hard to outdo that one.

7 Mr. Chairman, fellow Commissioners, and Mr.
8 Chaney, first of all, I'd like to start off with a vesicular
9 stomatitis update. Of the 201 total vesicular stomatitis
10 virus affected premises since May of this year, 200 premises
11 have completed the quarantine period with no new clinical
12 cases, and all of those have been released from quarantine
13 short of one premise. There's one new premise located in
14 Santa Barbara County that is currently under quarantine.

15 Recently, the Davis-Thompson Foundation workshop
16 took place in August. The CAHFS team in San Bernardino led
17 by Dr. Francisco Uzal hosted a two-day meeting for
18 pathologists from around the country to share the California
19 Animal Health Food Safety Protocols and SOPs regarding
20 necropsy examinations that occur on racehorses through the
21 CHRB Postmortem Program.

22 This is a workshop covering racehorse necropsy
23 procedures to fulfill horse racing integrity and safety
24 authority requirements. Presenters at the two-day
25 conference included Dr. Sue Stover, Dr. Alina Vale

1 (phonetic), myself, Dr. Uzal, and several of the
2 pathologists at the CAHFS lab.

3 As you're aware, Breeders' Cup is quickly
4 approaching in the first weekend of November. Preparations
5 for Breeders' Cup are ongoing and will continue to increase
6 as we approach the classic event at Santa Anita. Much work
7 needs to be done and all hands will be on deck not only
8 internally but from a management and a veterinary
9 perspective.

10 Moving on to fatalities, in the month of August
11 there were nine fatalities at all racetracks in the state of
12 California; three occurred in racing, three occurred in
13 training, and three occurred to either injury, illness, or
14 disease.

15 Regarding the Maddy Lab, HIWU violations and
16 statuses are posted on their website. Currently there are
17 70 Anti-Doping Medication Committee violations from around
18 the country listed on the website. Additionally, there are
19 55 cases that have since been resolved.

20 At the Maddy Lab regarding CHRB testing, in August
21 there were 228 post-race blood and urine samples that
22 included nine work bloods. 131 samples were also tested and
23 out-of-competition. Of all these samples under CHRB
24 testing, there were two Class 4 violations, one
25 phenylbutazone and one methocarbamol.

1 This concludes my report and I'm happy to answer
2 any questions.

3 CHAIR FERRARO: I wonder, you know, you and I had
4 a conversation at the rail the other day about this
5 StrideSAFE device and I was quite interested in your
6 comments at that time. Could you kind of recap that for the
7 Board?

8 EQUINE MEDICAL DIRECTOR BLEA: Yeah, I'm trying to
9 remember the exact conversation, but basically --

10 CHAIR FERRARO: It was the one before we started
11 drinking.

12 EQUINE MEDICAL DIRECTOR BLEA: That wasn't until
13 8:00 a.m.

14 But all kidding aside, so there's a lot of
15 interest in sensor technology currently, specifically after
16 the Kentucky report came out, as well as what happened at
17 Saratoga. If you recall, last fall we discussed some sensor
18 technology here at the Board at one of our meetings.

19 In the interim, I've spoken with David Lambert
20 with StrideSAFE, which is what's currently being used. It's
21 a little module that fits in the saddle towel for all horses
22 that are in races. The information is immediately sent to
23 Sweden and Australia, I believe, internationally, and then
24 you get a report the next day. And in a simplistic manner,
25 it gives you a printout when that horse's gait changes

1 during the race. So you have a bit of a past performance of
2 that horse's locomotion. And when you start seeing changes,
3 those are indications that there's something wrong with that
4 horse from a musculoskeletal or physiological standpoint.

5 That's StrideSAFE.

6 There's another company called Araneo (phonetic),
7 which I've met with them as well. They're a company that
8 not only do biomechanics or motion sensors, they are sensors
9 which can also be applied for racing and training, also do
10 live readouts of ECGs, EKGs. So my interest in that group
11 was looking at sudden death, potential risk factors for
12 sudden death, as well as locomotion.

13 So there's a bit of a marketplace. It reminds me,
14 what was it, 15 years ago when the standing MRI came out,
15 everybody wanted to get a standing MRI, and I remember Dr.
16 Ferrero and I saying, why don't we wait until we figure out
17 what's normal before we all jump into this, otherwise it'll
18 be junk.

19 So to the sensor technology, there's a lot of buzz
20 around it. There's a meeting going on next week at AEP.
21 That's going to be one of the discussion items. Is it the
22 solution to all of our problems? No. I think it's a tool
23 in the toolbox, but we have to have the right tool if we're
24 going to do the job properly. So we're exploring that.
25 I've looked into that.

1 There's also another app called Schlep (phonetic)
2 where you can put it on your phone and evaluate a horse's
3 gait. Specifically, I'm interested in looking at that for
4 post-race claims. So you take the subjectivity out of it
5 and provide more of an objective reading.

6 So as with anything, these sensors and this sensor
7 technology relies on two things that are most critical to
8 this world, time and money. So we're still investigating
9 some of that.

10 And regarding the Araneo technology, which looks
11 at ECGs, as well as biomechanics, Dr. Jessica Morgan and Dr.
12 Heather Knych submitted a grant to UC Davis through the
13 Center of Equine Health. I've read the grant. I spoke to
14 Dr. Morgan and Dr. Knych. We're going to hopefully add some
15 things to that grant to look at serum chemistry,
16 specifically potassium, calcium, and sodium. They can put
17 these horses on the treadmill, have a live monitor on these
18 horses, while at the same time draw blood samples to look at
19 what these horses are doing from a physiological standpoint,
20 in addition to look at the biomechanics.

21 So that grant will be reviewed next week, and I'm
22 really excited about it. I hope it gets funded because I
23 think that will give us a lot of information to really move
24 the ball down the field regarding not only biomechanics but,
25 more importantly, sudden death and poor performance.

1 COMMISSIONER ALFIERI: Has HISA been looking at
2 this too, at those three things?

3 EQUINE MEDICAL DIRECTOR BLEA: Yes. And HISA,
4 wearables or sensor technology is one of their best
5 recommendations, HISA. But again, the StrideMaster has its
6 benefits. The Araneo technology has a different set of
7 benefits. And I think if we're going to go -- like I said,
8 if we need to put the tool in the toolbox to fix something,
9 we have to have the right tool, so, but yes, HISA is looking
10 at it as well.

11 CHAIR FERRARO: Well, these agents, I think you
12 told me they cost around \$39.00 each; right?

13 MR. BOYERS: The StrideMaster, per horse, per use,
14 is about \$30.00 per race. So if you have a ten-horse field,
15 it's going to cost you \$100 -- \$300 a race if you do the
16 whole card or if you do the whole meet. So figure \$30.00 a
17 race to not only have the sensor, but have the information
18 pre-entered, as well as the information received and
19 submitted to whoever's looking at it. So figure \$30.00 a
20 race.

21 I've spoken to Del Mar. Both Tom Robbins and Josh
22 Rubenstein are both interested in doing some sort of sensor
23 technology program at the fall meet.

24 CHAIR FERRARO: So maybe just try it on a few
25 horses under certain trainers who give us reliable feedback

1 to see how it's going to work.

2 MR. BOYERS: My vision is, and speaking to Araneo
3 and speaking to Davis, my vision is to -- you can have a
4 program for races, correct, but my vision is to have it in
5 barns on every horse in training in the next three to five
6 years. It's here and I think it's a great tool for
7 trainers, I think it provides them a lot of information, but
8 it's also a great tool to monitor that horse's health.

9 At the end of the day, it boils down to two
10 things, as I stated, time and money, so --

11 CHAIR FERRARO: Yeah. It could solve our
12 preventative medicine issues; is that correct?

13 EQUINE MEDICAL DIRECTOR BLEA: I think it would
14 reduce a lot of our sudden deaths and our musculoskeletal
15 fatalities even further.

16 CHAIR FERRARO: Okay. Well, keep us posted.

17 EQUINE MEDICAL DIRECTOR BLEA: Will do.

18 CHAIR FERRARO: Thank you.

19 Any other questions? Go ahead, Tom.

20 COMMISSIONER HUDNUT: I have a completely
21 unrelated question. You referenced the Breeders' Cup. I'm
22 curious, I assume that horses coming in from all over the
23 world are subject to California regulations and inspections.
24 Do you put extra vets on for the Breeders' Cup? Do some
25 shippers bring their own vets? Just tell us what happens

1 with all that horse -- expensive horse flesh.

2 EQUINE MEDICAL DIRECTOR BLEA: Sure. Some outfits
3 will bring their own attending vet. It's rare, but they
4 will come. Those attending vets have to adhere to CHRB
5 rules. In the past, they register with EquiTAPS. They
6 adhere to all CHRB rules. So I'm talking about maybe one or
7 two, but it is -- it does happen. So they know the
8 regulations. I've met with them. I've known them for
9 years.

10 Regarding the shipping, basically, California is
11 under HISA regulations. So if HISA doesn't have a reg in
12 place and we do, they have to adhere to CHRB regulations.
13 So they're fairly similar. They're fairly uniform. There
14 are some one-offs. Those have been submitted to Breeders'
15 Cup. It's in there. There's a packet, it's called an HIG
16 packet that goes out to horsemen, 100 pages. CHRB has
17 submitted what rules apply to us, so the horsemen will know
18 those rules.

19 In addition to that, October 3rd or 4th, October
20 3rd, Dr. Farmer, who's the Breeders' Cup chief veterinarian,
21 and I will do a webinar for trainers and veterinarians and
22 horsemen that will be recorded.

23 And lastly, Breeders' Cup brings in a whole
24 contingency of veterinarians, so they come in. CHRB has our
25 veterinarians, and then The Stronach Group has their track

1 veterinarians. So if you're looking for an equine
2 veterinarian, go to Santa Anita. They'll be there.

3 And it's an interesting event based on my
4 experience at Del Mar in 2021, is it's like going camping
5 with the masses. Everybody gets together. Everybody knows
6 what we're doing. Everybody knows what everybody's doing.
7 There are protocols, processes, and they are followed. And
8 we will continue to do our panel review. We will continue
9 to do everything we do. Our position is, what we do, we do
10 very well. Let us continue to do what we're doing, and
11 we'll do it even further enhanced for Breeders' Cup.

12 Lastly, I'll touch on something, because I don't
13 think Dr. Ferrari and I finished this, but there's some
14 interest in having a second PET scan at Santa Anita for
15 Breeders' Cup. So I've spoken to UC Davis, and we're still
16 working out the details. What we may do is have that
17 available to provide for horsemen prior, or the week prior
18 to, if necessary.

19 COMMISSIONER HUDNUT: Wow. Wow, that's terrific.
20 Thank you so much.

21 CHAIR FERRARO: Who has the final decision on
22 scratching?

23 COMMISSIONER HUDNUT: The stewards.

24 CHAIR FERRARO: No, I mean, veterinary-wise,
25 excuse me, in determining or making that recommendation to

1 the stewards?

2 EQUINE MEDICAL DIRECTOR BLEA: Generally it has to
3 come through the official veterinarian. So at the time,
4 it'll be Dr. Patio (phonetic). Dr. Grande will be the chief
5 official veterinarian. But eventually, that request will be
6 made to the stewards.

7 CHAIR FERRARO: So it would be our personnel then?

8 EQUINE MEDICAL DIRECTOR BLEA: Correct.

9 CHAIR FERRARO: Yeah. Okay. Thank you.

10 Any other questions?

11 EXECUTIVE DIRECTOR CHANEY: Mr. Chairman, it is a
12 bit of a dance, because we have federal authority now, and
13 obviously Breeders' Cup has some opinions. But Dr. Blea and
14 I shared a similar experience in 2021 with respect to Modern
15 Games and we don't plan on repeating that. So at the end of
16 the day, one person has the call with a recommendation to
17 scratch.

18 EQUINE MEDICAL DIRECTOR BLEA: And on the
19 racetrack, it will be the track veterinarian, one track
20 veterinarian on the racetrack. In the barn area, it will
21 have to go from the official vet to the Stewards.

22 CHAIR FERRARO: All right.

23 VICE CHAIR GONZALES: Yeah, the only thing I'd
24 like to add is, you know, we have one more meeting between
25 now and the Breeders' Cup. But if anything does arise where

1 you need the help of any of us, let us know, Dr. Blea. But
2 we're fortunate to have you, sir, and we look forward to,
3 you know, a successful Breeders' Cup.

4 You know, the only thing else that I'd like to
5 bring up is related to Del Mar. I want to just, you know,
6 offer a word of congratulations to the team at Del Mar. But
7 we also know there's others that help make a meet that
8 successful happen.

9 And so, you know, Dr. Blea, if you wouldn't mind
10 just touching on, you know, really what worked? That's my
11 question for you.

12 And then for Scott, in terms of the handle drop
13 off, you know, there's speculation that there's an
14 adjustment that Del Mar might have made with maybe cutoff
15 time. And I don't know the subject matter all that well,
16 but, you know, maybe you can touch on what you can tell us
17 about if any of the adjustments that Del Mar made in the
18 wagering for the big guys, if that impacted? So, again, I
19 know there's data that still needs to be looked at there but
20 maybe you can touch on that.

21 But, first, Dr. Blea, anything that we ought to
22 know about Del Mar and the success that you had this past
23 meet?

24 EQUINE MEDICAL DIRECTOR BLEA: Thank you for your
25 offer to help with Breeders' Cup. I appreciate that, first

1 of all.

2 Second of all, Del Mar, I think, was a culmination
3 of many parts. And when you look back on it and do a review
4 of that meet, there was a lot that went into that meet that
5 made that meet successful from a safety standpoint. And I
6 think there's not enough recognition to go around for the
7 horsemen, the trainers, the riders, you know, the people on
8 the front lines, the owners. You know, the owners are
9 struggling to get horses into races that aren't filling and
10 it's expensive and it's costly. The owners are having to
11 get these horses worked off the year layoff and then get
12 back in in 30 days. And they're having to, you know, get
13 these exams done.

14 The people on the front lines were
15 instrumental in making that successful. That was one part
16 of the pie.

17 Another part of the pie was management.
18 Management was extremely proactive on all fronts, whether
19 working through the TOC for an injured horse or preparing
20 for the tropical storm. I remember having a conversation
21 with management. I said, "Okay, do you have -- you know, we
22 have some pumps set up. What about generators? Where are
23 you going to put those pumps? What about this?"

24 And they looked at me and they said, "What are you
25 talking about?"

1 I said, "You've never lived in a hurricane, did
2 you?"

3 He goes, "Where did you come from?"

4 I said, "New Orleans." I said, "We know how to
5 get through on this."

6 So they were very proactive. Management was
7 always ahead of the game from accommodating the
8 veterinarians to the horsemen, doing the best they could
9 when there was an issue or an error. We were always in
10 communication.

11 And then I'll also add another part of the pie. I
12 can confidently say the veterinary staff. And kudos go out
13 to Dr. Grande as a chief official veterinarian. He ran that
14 panel, that panel exam that meets every -- for every race
15 day that's entered. He had that thing organized. It's time
16 consuming. He knows it. He understands it. In addition to
17 that, he's doing the Golden Gate panel, which also had a
18 good safety record in the fairs.

19 Further to that, we ran short of veterinarians.
20 He drove up to Ferndale to be the official vet one weekend
21 while he's doing the panel in the car. In fact, I was
22 teasing them, I said, "Are you on the Greyhound bus? They
23 don't have wi-fi?"

24 But the veterinary community is part of the front
25 lines from the official veterinarians to the monitoring

1 veterinarians, the track veterinarians. We had a really
2 good group of eight veterinarians this year. And at the
3 pre-race meeting, the goal, and I stated this very clearly,
4 that our goal is we're all doing the same thing, let's work
5 together. No one has one job. We all do the same job. And
6 their commitment and their follow through was impressive.

7 And the relationships with horsemen was a positive
8 thing, and vice versa. Those reciprocal relationships, you
9 can see those that have been developed over the years.
10 They're not easy. They're tough. But I think everybody's
11 starting to get the fact that we've got to do this, we've
12 got to do it well, we've got to be good and good at it in
13 order for this to work.

14 And again, kudos to those three, the management,
15 the horsemen, and the veterinary community.

16 VICE CHAIR GONZALES: Excellent. Thank you, sir.
17 Again, congratulations to all at Del Mar and those involved.

18 Scott, do you want to touch on any of the handle
19 and any --

20 EXECUTIVE DIRECTOR CHANEY: Yeah, I can kind of do
21 a 30,000 foot view. Because I haven't seen the final
22 number, I don't want to speak too out of turn, but I think
23 it is fair to say that handle, overall handle was off at Del
24 Mar for the summer. It's not something they probably
25 publicize but, I mean, I read the numbers today, right,

1 seven percent for the year, which is kind of bucking the
2 national trend, I would say. I think I'm not sure how off
3 Saratoga will be.

4 But it's kind of an interesting comparison because
5 we have the same economic issues with inflation and sort of
6 the post-COVID pandemic sort of decrease in wagering,
7 because the pandemic was actually quite good for horse
8 racing because we were the only game in town for a number of
9 years. So I think that's a national trend. Now, of course,
10 Del Mar didn't have the same weather issues, although they
11 did miss a day because of the tropical storm, but they
12 certainly didn't have the negative press that surrounded all
13 the breakdowns.

14 So in terms of -- I can't say that I'm super
15 panicked about the decrease, although I want to see the
16 final numbers, but they also indicated that they did change
17 their procedures with respect to computer assisted wagering.
18 I know a couple of tracks in California have done that as
19 well. They don't tend to make a very big public deal about
20 it because I think tracks are sort of walking a razor's
21 edge; right? They want to be helpful and supportive of
22 other CAW folks, but at the same time recognize that at some
23 point, if it becomes too large of a percentage, you know,
24 wagering sort of collapses.

25 So I would say in my conversations with both The

1 Stronach Group and Del Mar, they are well aware of this
2 situation. And in talking with Josh, it seems like they
3 took a few measures in terms of -- one of the things I know
4 tracks are doing, certainly in California, is decreasing the
5 percentage rebate as you get closer to post time, so
6 incentivizing betting earlier, because that's really what
7 the wagering public objects to.

8 So I don't think I'm too far out there in saying
9 part of the decrease in handle was probably due to some of
10 the changes with respect to computer assisted wagering,
11 which is probably good because I think they're looking over
12 at the entire picture and not just one group. Again, I want
13 to see the numbers specifically to understand exactly how
14 much, you know, it contributed to the decline.

15 VICE CHAIR GONZALES: Sure thing. Thank you for
16 that. Thank you.

17 MR. NADER: Chairman, Commissioner Gonzales, if I
18 can add to that?

19 On September 26th of last year, it was at Santa
20 Anita and Golden Gate that we implemented a policy where for
21 the computer assisted wagering groups, that they would be
22 cut off of the wind pool at one minute to post time. So
23 that was at Santa Anita and Golden Gate only. Del Mar
24 didn't do it last year in the fall meet. This was September
25 26th, 2022. And if the computer assisted wagering customer

1 wanted a bet to the close of the pool, to Mr. Chaney's
2 point, they had to pay a big premium to do so, which
3 effectively reduced their margin to a small amount.

4 The reason they do that, it's a mitigating measure
5 to protect the final odds and the mass market and the
6 greater population of horse players don't get upset when
7 they see an odds drop during the conduct of the race. The
8 horse jumps at the gate at seven-to-two and halfway through
9 the race, it's five-to-two. So that's the purpose of that.
10 It's a mitigating measure.

11 This year during the summer at Del Mar, for the
12 first time, Del Mar did implement that same policy and they
13 will continue to do so in the fall. It does lead to a
14 slight decrease in win wagering only for this group, but the
15 concentration of most of their wagers, the higher percentage
16 of their wagers are in the exotic pools, the multi-leg
17 pools.

18 VICE CHAIR GONZALES: Um-hmm. Um-hmm.

19 MR. NADER: So overall, it did reduce the amount
20 of handle from CAW, but not by a great amount. And all
21 segments at Del Mar were down, so it wouldn't be just
22 because of CAW, it was across all segments. Average field
23 size at Del Mar this year was 8.92, last year was 9.14.
24 Those are extraordinarily high numbers in today's sport for
25 average field size. And unlike Saratoga which had 65 races

1 taken off the turf, Del Mar had a perfect slate. So there's
2 a lot of good things that happen in California with the
3 weather and the climate, and also the track surfaces that
4 are beneficial, and especially the field sizes.

5 But specific to your point, that was the change
6 this summer at Del Mar, one minute to post. If the player
7 wanted a bet to the close of the pool, the price of
8 participation went up considerably. Otherwise, they
9 couldn't bet in that last minute and a lot of them elected
10 not to.

11 VICE CHAIR GONZALES: Understood. Okay.

12 CHAIR FERRARO: Thank you, Bill.

13 VICE CHAIR GONZALES: Thank you. Thank you for
14 that.

15 CHAIR FERRARO: Any other questions?

16 Thank you, Dr. Blea.

17 We'll go to public comment. We have one public
18 comment, I understand.

19 Chris?

20 EXECUTIVE DIRECTOR CHANEY: Yeah, so that was
21 number 11, so I think you're at number 12.

22 CHAIR FERRARO: Right. Right.

23 MR. SCHICK: Good morning again, Chairman Ferraro,
24 members of the Commission.

25 I just want to point out to the Board, there's a

1 significant event happening in the sport of Standardbred
2 racing today. It's a race called the Little Brown Jug.

3 CHAIR FERRARO: Oh, yeah.

4 MR. SCHICK: And you might have heard about it,
5 but maybe don't know much about it. Anyway, it's a race
6 that's held at the Delaware County Fairgrounds. The
7 Delaware County Fairgrounds is about 30 miles north of
8 Columbus and it's a million-dollar race for three-year-olds,
9 and there's going to be over 40,000 people live at this
10 event. It's an actual holiday in Delaware County. The
11 schools are closed. It's a very, very significant event
12 today. We have 18 three-year-olds that have already amassed
13 over \$6 million in earnings that are actually going to
14 compete in three elimination races, and then they're going
15 to come back on the same day to run for the million-dollar
16 final today.

17 So I just wanted to make the Board aware of that.

18 The race is going to be on Fox Sports 2. If you're
19 anywhere near as part of the America's Day at the Races, the
20 race is going to go off at about 3:25, and it should be a
21 real good race today, and it's the Little Brown Jug. It's a
22 77th running. It's a part of Americana.

23 Thank you.

24 CHAIR FERRARO: It certainly is. Thank you very
25 much for that.

1 All right, I think that's the only public
2 commenter we have.

3 So we have to go into closed session now, so I
4 would ask everybody to vacate the room. We will go into
5 closed session. We will go back into public session for the
6 purpose of adjournment only.

7 Can I have a motion for adjournment, please?

8 COMMISSIONER DAVIS: Davis moves.

9 COMMISSIONER ALFIERI: Second.

10 CHAIR FERRARO: Commissioners Mitchell?

11 COMMISSIONER MITCHELL: Yes.

12 CHAIR FERRARO: Commissioner Gonzalez?

13 VICE CHAIR GONZALES: Yes.

14 CHAIR FERRARO: Commissioner Castellanos?

15 COMMISSIONER CASTELLANOS: Yes.

16 CHAIR FERRARO: Commissioner Alfieri?

17 COMMISSIONER ALFIERI: Yes.

18 CHAIR FERRARO: Commissioner Hudnut?

19 COMMISSIONER HUDNUT: Yes.

20 CHAIR FERRARO: And the Chairman votes yes.

21 And Commissioner Davis votes yes?

22 COMMISSIONER DAVIS: Yes. Thank you.

23 CHAIR FERRARO: The meeting is adjourned. Thank
24 you all very much.

25 (The regular meeting of the California Horse

1 Racing Board went into closed session at 11:11 a.m.
2 and was later adjourned)

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CERTIFICATE OF REPORTER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of September, 2023.



MARTHA L. NELSON, CERT**367

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I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

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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.



MARTHA L. NELSON, CERT**367

September 28, 2023