

STATE OF CALIFORNIA

HORSE RACING BOARD

In the Matter of:)

)

Regular Meeting)

)

CALIFORNIA EXPOSITION AND STATE FAIR GRANDSTAND

1600 EXPOSITION BOULEVARD

SACRAMENTO, CALIFORNIA

THURSDAY, DECEMBER 14, 2023

9:30 A.M.

Reported by:

Martha Nelson

APPEARANCES

BOARD MEMBERS

Gregory Ferraro, Chair

Oscar Gonzales, Vice Chair

Damascus Castellanos, Commissioner

Brenda Washington Davis, Commissioner

STAFF

Scott Chaney, Executive Director

Robert Brodnik, Staff Counsel

Jeff Blea, Equine Medical Director

ALSO PRESENT

Joe Hasson, TOC

Larry Swartzlander, CARF

Rick Baedeker, Southern California Off Track Wagering

Kevin Thi, OC Tavern

George Schmitt, California Thorough Breeders Association

Francisco Uzal, UC Davis

PUBLIC COMMENT

Jamey Thomas

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PAGEClosed Session:

- A. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation," 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).

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Adjournment

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2 P R O C E E D I N G S

3 9:33 A.M.

4 THURSDAY, DECEMBER 14, 2023

5 CHAIR FERRARO: Ladies and gentlemen, this meeting
6 of the California Horse Racing Board will please come to
7 order. Please take your seats. This is the regular noticed
8 meeting of the California Horseracing Board on Thursday,
9 December 14th at the California Exposition and State Fair
10 Grandstand, Sacramento, California.

11 Present at today's meeting are: myself, Dr.
12 Gregory Ferraro, Chair; also Oscar Gonzales, Vice Chair;
13 Damascus Castellanos Commissioner; Brenda Washington Davis
14 Commissioner; and Scott Cheney, Executive Director.
15 Commissioners Wendy Mitchell, Dennis Alfieri, and Thomas
16 Hudnut are not able to join us today.

17 Before we go to the business of the meeting, I
18 need to make a few comments. The Board invites public
19 comment on matters appearing on the meeting agenda.
20 Procedurally, the Board will first hear from those directly
21 involved in the agenda item. I will then invite public
22 comment on the agenda item. The Board will not answer
23 questions. This is for comments only.

24 Unsolicited speakers are limited to two minutes.
25 During all public comments, a sign will be raised after the

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

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

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

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

1 If anyone has comments of a more general nature
2 that are not specific to earlier agenda items, those
3 comments must wait until agenda item number 11, Public
4 Comment. There will be a 30-minute time limit for public
5 comment. In order to allow as many individuals to speak as
6 possible within that half hour, I will strictly enforce the
7 two-minute time limit for each unsolicited speaker.

8 And with that, we can begin. We'll start with
9 approval of the minutes of November 16, 2023.

10 COMMISSIONER CASTELLANOS: Motion.

11 COMMISSIONER WASHINGTON: I second.

12 CHAIR FERRARO: Commissioner Castellanos?

13 COMMISSIONER CASTELLANOS: Yes.

14 CHAIR FERRARO: Commissioner Gonzales?

15 VICE CHAIR GONZALES: Yes.

16 CHAIR FERRARO: Commissioner Davis?

17 COMMISSIONER DAVIS: Yes.

18 CHAIR FERRARO: And the Chairman votes yes.

19 We're going to have to take some things out of
20 order since we're waiting on some people.

21 EXECUTIVE DIRECTOR CHANEY: I think Joe Hasson
22 just turned up, so I think we're good, Mr. Chairman.

23 CHAIR FERRARO: We're good?

24 EXECUTIVE DIRECTOR CHANEY: Yeah.

25 CHAIR FERRARO: Okay.

1 EXECUTIVE DIRECTOR CHANEY: We can go ahead and go
2 in order.

3 CHAIR FERRARO: All right. Number two is
4 discussion by the Board regarding the submission to the
5 Board of Northern California stabling and vanning proposed
6 financial and operational plans for the upcoming calendar
7 year as required pursuant to Business and Professions Code
8 Section 19607.3.

9 Gentlemen?

10 MR. BRODNIK: Good morning, Commissioners. Robert
11 Brodnik, California Horseracing Board.

12 Business and Professions Code section 19607.2
13 creates a special fund that is used for offset setting the
14 costs to racing associations and fairs for stabling and
15 vanning of horses. This fund obtains its money from handle
16 at satellite wagering facilities that would otherwise be
17 allocated for purses and commissions.

18 Section 19607.3 requires that those who operate
19 the fund, the TOC and the tracks, submit to the Board yearly
20 for review its proposed financial and operational plans.
21 Staff has asked that the plans be submitted in compliance
22 with these code sections, and that is why it's before you
23 today.

24 CHAIR FERRARO: Go ahead, Joe.

25 MR. HASSON: Joe Hasson with the TOC.

1 EXECUTIVE DIRECTOR CHANEY: Turn the mic on.

2 MR. HASSON: Joe Hasson with the TOC.

3 MR. SWARTZLANDER: Larry Swartzlander, Executive
4 Director of CARF.

5 CHAIR FERRARO: Do you have comments to make?

6 MR. SWARTZLANDER: No, Chairman.

7 MR. HASSON: Yeah. We're here to answer
8 questions.

9 CHAIR FERRARO: Okay. Any questions from the
10 Board?

11 EXECUTIVE DIRECTOR CHANEY: I can kind of jump in.
12 This is the first time, at least since I started, and Rob
13 and I were -- when we got the plans this year, in reading
14 the statutes, we haven't brought this to the Board for about
15 the last five years. Frankly, the statute's a little bit
16 unclear, it says, "reviewed by the Board." I mean, I think
17 that could be interpreted just by staff.

18 We thought to be in an abundance of caution, it's
19 a good thing for the Board itself to review so that no vote
20 is necessary. But I thought it would also be informational
21 in terms of like how this kind of process works. To be
22 fair, we don't have, necessarily, a role in the
23 negotiations. It seems to work pretty well where tracks and
24 the TOC negotiate for, you know, what auxiliary training
25 facility is going to remain open, what kind of compensation

1 they're going to enjoy, and then, you know, how vanning will
2 be paid for to get to the track that's racing.

3 The nice thing about this system is every track we
4 have, pretty much, except for San Louis Ray, also acts as an
5 auxiliary stabling facility, so there's no incentivization.
6 It doesn't incentivize charging too much because you're
7 going to be on both ends of the negotiating table at some
8 point during the year. I think it's fair to say that
9 Northern California's plan, in quotes, is pretty skeletal
10 given the lack of clarity in terms of racing in Northern
11 California past September next year.

12 CHAIR FERRARO: Any questions from the Board on
13 this? I think we're all pretty well apprised of how this
14 works and what's going on, so thank you very much. We can
15 move on.

16 There's no need to have a vote on this?

17 EXECUTIVE DIRECTOR CHANEY: There's not.

18 CHAIR FERRARO: Yeah. We'll go to item number
19 three then, discussion by the Board regarding the submission
20 to the Board of the Southern California stabling and vanning
21 proposed financial and operational plans for the upcoming
22 calendar year as required pursuant to Business and
23 Professions Code Section 19607.1.

24 Go ahead.

25 EXECUTIVE DIRECTOR CHANEY: This is, you know, the

1 same agenda item basically for Southern California, which is
2 a separate agreement. Rob would basically do the same song
3 and dance because the B&P code is the same. You will notice
4 in your packet that the Southern California plan is, you
5 know, more fleshed out obviously because Southern California
6 dates have been set for next year.

7 CHAIR FERRARO: Questions from the Board? None?

8 MR. HASSON: No?

9 CHAIR FERRARO: You're home free.

10 MR. HASSON: We've got one more, actually.

11 EXECUTIVE DIRECTOR CHANEY: He might have to do
12 one more here.

13 CHAIR FERRARO: He's got one more.

14 Discussion in action by the Board regarding the
15 request to modify the distribution of market access fees
16 from advanced deposit wagering or wagering conducted by the
17 thoroughbred associations and racing fairs in the central
18 and southern zones to include distribution to the Southern
19 California Stabling and Vanning Fund, and to adjust the
20 amount distributed to that fund from brick and mortar
21 wagering to the same percentage for ADW for 2024.

22 MR. HASSON: Joe Hasson with the TOC. I'm here to
23 answer any questions.

24 CHAIR FERRARO: Do we have any questions? Now
25 you're home free.

1 EXECUTIVE DIRECTOR CHANEY: Well, you do have to
2 approve this one.

3 CHAIR FERRARO: Oh, do we? Okay.

4 Do we have a motion then?

5 COMMISSIONER DAVIS: Davis moves.

6 COMMISSIONER CASTELLANOS: Second.

7 CHAIR FERRARO: Commissioner Davis?

8 COMMISSIONER DAVIS: Yes.

9 CHAIR FERRARO: Commissioner Gonzales?

10 VICE CHAIR GONZALES: Yes.

11 CHAIR FERRARO: Commissioner Castellanos?

12 COMMISSIONER CASTELLANOS: Yes.

13 CHAIR FERRARO: Chairman votes yes. Okay.

14 MR. HASSON: Thank you, Commissioners.

15 CHAIR FERRARO: Item number five, discussion and
16 action by the Board regarding entering into a Voluntary
17 Implementation Agreement with the Horseracing Integrity and
18 Safety Authority, HISA, and the Horseracing Integrity and
19 Welfare Unit, HIWU.

20 Scott?

21 EXECUTIVE DIRECTOR CHANEY: Thank you, Mr.
22 Chairman.

23 As the Board knows, there's a new federal
24 authority and the program's administered by HISA and HIWU as
25 the Anti-Doping Medication Control Committee or body. For

1 the last two years the CHRB has entered into a voluntary
2 agreement to perform certain tasks on behalf of both HISA
3 and HIWU. Those include investigations, out-of-competition
4 testing, that is sample collection, sample collection for
5 post-race, and then, of course, you know, Davis is the
6 appointed lab to test samples for all of California.

7 We've received our assessment for calendar year
8 2024 where California is responsible based on a purse and
9 start formula for about ten percent of the budget. Ten
10 percent of the budget this year is \$7.6 million. We've
11 received some preliminary credits, leaving stakeholders to
12 pay for about \$2.3 million. We're still negotiating with
13 HIWU and HISA, you know, for additional credits, and hopeful
14 that will, you know, drive the total cost down a little bit
15 further.

16 The VA will have to be in place by December 31st
17 because it's for calendar year 2024, and I'm seeking
18 permission and authority from the Board to sign a Voluntary
19 Agreement on behalf of the Board, which is something that
20 you approved last year.

21 CHAIR FERRARO: Yeah, we did it last year;
22 correct?

23 EXECUTIVE DIRECTOR CHANEY: You did.

24 CHAIR FERRARO: Any questions from the Board? Can
25 I have a motion?

1 COMMISSIONER CASTELLANOS: Castellanos motion.

2 VICE CHAIR GONZALES: I'll second.

3 CHAIR FERRARO: Commissioner Davis?

4 COMMISSIONER DAVIS: Yes.

5 CHAIR FERRARO: Commissioner Gonzales?

6 VICE CHAIR GONZALES: Yes.

7 CHAIR FERRARO: Commissioner Castellanos?

8 COMMISSIONER CASTELLANOS: Yes.

9 CHAIR FERRARO: The Chairman votes yes.

10 Thank you, Scott.

11 Number six, discussion and action by the Board on
12 the application for a license to operate a mini-satellite
13 wagering facility at Thi 68, Incorporated, dba New O.C.
14 Tavern in San Clemente, California.

15 CHAIR FERRARO: Mr. Baedeker?

16 MR. BAEDEKER: Good morning, Mr. Chairman and
17 Commissioner. Is this on? There we go. I'm Rick Baedeker,
18 representing Southern California Off Track Wagering. And I
19 have with me Mr. Kevin Thi, who is the operator applicant
20 for the reopening of OC Tavern in San Clemente.

21 I can report to you that it's very encouraging for
22 us. OC Tavern closed under a different operator last July
23 and left the facility in a state of disrepair, if you will.
24 Mr. Thi has come in, along with the landlord, and completely
25 remodeled it, and it's really going to be a terrific place

1 to go and enjoy the races. OC Tavern was the first of
2 these, it opened in 2010, and constantly, or continually
3 does between six and seven million dollars and handle
4 annually, nice contribution to the industry.

5 Mr. Thi is here to answer any questions you might
6 have.

7 VICE CHAIR GONZALES: Yeah, Mr. Chairman, this is
8 a question that often comes up, Mr. Bedeker, is just the
9 security of the facility, how is that handled, you know,
10 whatever plan, just to make sure that employees and the
11 patrons are safe?

12 MR. THI: We have security.

13 VICE CHAIR GONZALES: Okay.

14 MR. THI: Yes.

15 MR. BAEDEKER: So Commissioner, in addition to
16 what Mr. Thi said, we've discussed this before, and what we
17 have done at SCOTWINC is encouraged the restaurant owners,
18 again, these are private property businesses, to do as
19 they're required by the license here, they are required to
20 provide adequate security.

21 So working with them, what we have finally
22 considered to be the best approach, listening to the
23 restaurant owners, who are reluctant to put an armed guard,
24 a gun, inside their restaurants, we require a designated
25 security person at all times that the mini-satellite is

1 open, identifiable with a shirt that says clearly,
2 "Security," and equipped with a button panic alarm.

3 VICE CHAIR GONZALES: Great.

4 MR. BAEDEKER: And the restaurant owners have told
5 us that it's their preference to have the police handle any
6 kind of urgent situation. So that is the policy throughout
7 the mini-satellites.

8 VICE CHAIR GONZALES: Great.

9 MR. BAEDEKER: You know, it's a little difficult,
10 being one-off, we, SCOTWINC, to be involved in the operation
11 on a daily basis, but so far we've had no issues.

12 VICE CHAIR GONZALES: Okay. Thank you for that,
13 appreciate that.

14 CHAIR FERRARO: So you're open now as a
15 restaurant; is that correct?

16 MR. THI: Yes.

17 CHAIR FERRARO: Yeah. Okay.

18 MR. THI: Oh, we're not open yet.

19 CHAIR FERRARO: You're not open yet?

20 MR. THI: Yes.

21 CHAIR FERRARO: Okay.

22 MR. BAEDEKER: They have refurbished the entire
23 restaurant --

24 CHAIR FERRARO: Yeah.

25 MR. BAEDEKER: -- including the restaurant

1 portion, and just a quick comment on that.

2 It's been our experience now, having done this for
3 quite a while, that our part of it is almost unchangeable.
4 The handle is reliable, we know what the numbers have been,
5 we can project what they will be, we know what our expenses
6 are day in and day out, they really don't vary. It's the
7 restaurant side of things that is more important for the
8 success of the operation than the wagering.

9 I think, as I've said before, I think when this
10 was contemplated by the legislature, they envisioned a
11 scenario where a good restaurant would be made better. It
12 doesn't work if the restaurant is not a good restaurant. So
13 one of the encouraging things about the new OC Tavern, as
14 opposed to the previous operator, is that Mr. Thi has
15 extensive experience on the restaurant side, and they're
16 very excited about refurbishing the restaurant part of it as
17 well as the mini-satellite.

18 VICE CHAIR GONZALES: Excellent.

19 CHAIR FERRARO: Any questions from the Board?

20 VICE CHAIR GONZALES: No.

21 CHAIR FERRARO: Can we have a motion?

22 VICE CHAIR GONZALES: I'll move. Gonzales moves.

23 COMMISSIONER DAVIS: Davis second.

24 CHAIR FERRARO: Commissioner Castellanos?

25 COMMISSIONER CASTELLANOS: Yes.

1 CHAIR FERRARO: Commissioner Gonzales?

2 VICE CHAIR GONZALES: Yes.

3 CHAIR FERRARO: Commissioner Davis?

4 COMMISSIONER DAVIS: Yes.

5 CHAIR FERRARO: Chairman votes yes.

6 Congratulations.

7 VICE CHAIR GONZALES: Good luck to you guys.

8 CHAIR FERRARO: Good luck to you.

9 MR. THI: Thank you.

10 MR. BAEDEKER: Thank you.

11 CHAIR FERRARO: Number seven, discussion and
12 action by the Board regarding California Thoroughbred
13 Breeders Association request for authorization of its
14 upcoming horse sale at Fairplex in Pomona, California
15 pursuant to CHRB Rule 1807, Authorized Horse Sales.

16 Good morning.

17 MR. SCHMITT: Good morning. Thank you. We have
18 the regular sale that we have scheduled for the last several
19 years at Fairplex. We have 159 horses cataloged, from short
20 yearlings to pregnant mares, and we'd like your approval to
21 go forward with the sale next month.

22 CHAIR FERRARO: Just for the recorders, can you
23 state your name and organization?

24 MR. SCHMITT: I'm sorry. My name is George
25 Schmitt, and I'm vice Chairman of the California

1 Thoroughbred Breeders Association.

2 CHAIR FERRARO: Questions from the Board?

3 How many horses again in the sale?

4 MR. SCMITT: 159 in the catalog.

5 CHAIR FERRARO: Can we have a motion.

6 VICE CHAIR GONZALES: Gonzales moves.

7 COMMISSIONER CASTELLANOS: Second.

8 CHAIR FERRARO: Commissioner Davis?

9 COMMISSIONER DAVIS: Yes.

10 CHAIR FERRARO: Commissioner Gonzales?

11 VICE CHAIR GONZALES: Yes.

12 CHAIR FERRARO: Commissioner Castellanos?

13 COMMISSIONER CASTELLANOS: Yes.

14 CHAIR FERRARO: Chairman votes yes.

15 Congratulations. Good luck.

16 MR. SCMITT: Thank you.

17 CHAIR FERRARO: Number eight, discussion and
18 action by the Board regarding the distribution of race day
19 charity proceeds of Los Alamitos Racing Association combined
20 2022 thoroughbred race meetings.

21 I understand we don't have a representative, so
22 Scott, do you --

23 EXECUTIVE DIRECTOR CHANEY: Yes, that's correct.
24 Rick English had planned on being here from Los Alamitos.
25 Unfortunately, he has a sickness that we heard about

1 yesterday. I recommended just keeping it on the agenda
2 rather than -- he asked to have it pushed off until January,
3 in which he believes he'll be able to attend. I felt like,
4 unless the Board had any questions or objections to the
5 statutory distributions -- the statutorily-required
6 distributions, that it would be worth, you know, hearing it
7 and disposing of an agenda item while we're here.

8 CHAIR FERRARO: Is that acceptable to the Board?
9 It is to me. Okay, Chairman votes -- or moves to accept.

10 COMMISSIONER CASTELLANOS: Second.

11 CHAIR FERRARO: Commissioner Davis?

12 COMMISSIONER DAVIS: Yes.

13 CHAIR FERRARO: Commissioner Gonzales?

14 VICE CHAIR GONZALES: Yes.

15 CHAIR FERRARO: Commissioner Castellanos?

16 COMMISSIONER CASTELLANOS: Yes.

17 CHAIR FERRARO: Chairman votes yes.

18 Number nine is a report and discussion on the
19 CHRB/CAHFS Postmortem Program, Fatality Review Program for
20 fiscal year 2022 through 2023.

21 Francisco here?

22 EXECUTIVE DIRECTOR CHANEY: Yeah, Dr. Uzal is
23 here. Might need a minute or two to set up, but we'll --
24 bear with us.

25 (Pause)

1 EXECUTIVE DIRECTOR CHANEY: Just for the
2 edification of the Board, Dr. Uzal runs the Necropsy Program
3 on behalf of UC Davis and the CHRB, kind of a world renowned
4 equine pathologist, and each year gives sort of a synopsis
5 presentation to the Board on sort of the findings of the
6 necropsy report. I don't believe we did one last year.
7 I'll follow my sword on that one, but here we are for the
8 2022-2023 report.

9 Thanks for coming, Dr. Uzal.

10 CHAIR FERRARO: There we are.

11 DR. UZAL: Okay. Good morning, everyone. Is that
12 okay? It's a miracle that the computer works, you know,
13 whenever you try to do this, particularly in front of the
14 audience, it never works.

15 So what we do is, I'm a pathologist, and I
16 coordinate the program. We are about 22 pathologists
17 working on doing postmortem examinations of the CHRB horses
18 that died or are put down.

19 Why do we care? In the past 25 years or so, more
20 than 7,500 horses have died in California. And the
21 statistics say that one thoroughbred racehorse dies from an
22 injury for every 24 thoroughbreds that participate in a
23 race.

24 So since 1990, when we started with this program,
25 necropsy has been required for horses that died on

1 California racetracks under the jurisdiction of this Board.
2 And as you know, in 2020, the HISA Act was enforced, and
3 this was for the purpose of developing and implementing a
4 Horseracing Anti-Doping and Medical [sic] Control Program
5 and a Racetrack Safety Program for Covered Horses, Covered
6 Persons, and Covered Horse Races.

7 And what's important to us is that now, necropsies
8 are mandated for all horses that died or are euthanized at
9 covered racetracks throughout the country. This is beyond
10 California now. And then the necropsy findings have to be
11 reviewed by a racetrack safety and welfare committee review.

12 Let me tell you a little bit about California.
13 Let's come back to California, to our program.

14 We started in 1990, became quickly a national and
15 international model. There are several countries copying
16 what we do, which is really great. And as the end of fiscal
17 year, end of June this year, we have postmortem 7,527
18 horses.

19 What are the goals of the program? To determine
20 the nature of injuries occurring in racehorses, to determine
21 the reasons for these injuries, and to develop injury
22 prevention strategies.

23 How does it work? There are three main actors.
24 The racetracks haul the dead animals to us, to our
25 laboratories. We do the necropsies and produce reports.

1 And then CHRFB pays for the work.

2 So the CAHFS is the California Animal Health &
3 Food Safety Laboratory, and we have four laboratories
4 throughout the state, one in Davis, on Turlock, one in
5 Tulare, one in San Bernardino.

6 And who does necropsies of horses? About 80
7 percent, 82 percent happen in San Bernardino, which is where
8 I work, about 20 percent in Davis, and very, very few in
9 Tulare. The horses are delivered to the laboratory and then
10 we do our work.

11 So catastrophic fractures are still the most
12 prevalent cause of death in racehorses. We'll talk a little
13 bit more about that. Now the important thing is that the
14 great majority, and depending on who you read, between 85,
15 90 percent of them, occur on preexisting lesions. It's not
16 just like people think, just a bad step, an accident. There
17 are preexisting lesions. So this, I really want -- if you
18 walk out of here today and this is a message that you take
19 home, I'll be happy, okay, preexisting lesions. Did you get
20 that? Yes?

21 You know when you -- who flew here today?
22 Somebody flew? You know when you sit on the emergency exit,
23 that the flight attendant come and says, "Sir/madam, if
24 there's an emergency, are you willing to help?" And you are
25 on your cell phone, and you just shake your head. And the

1 flight attendant says, "Sir/madam, I need a verbal yes." Do
2 you remember that? Okay. Did you get the preexisting
3 lesions? I need a verbal yes. Great. Thank you. Thank
4 you.

5 Okay, so this is a picture I've been showing for
6 years, because it's horrific. This is the end -- the bottom
7 end of a cannon bone of a horse that broke down during the
8 race. And what you see there, see, this is a fracture, this
9 is a catastrophic fracture. This is what made the horse be
10 put down. But those holes there in the bone, they were
11 there, and they had been there for weeks, and this horse was
12 racing. Luckily, we are seeing less and less of this, but
13 this is what I mean by preexisting lesions.

14 So the number one lesson from all these years is
15 that roughly 90 percent of catastrophic fractures occur over
16 preexisting lesions. So this is a take-home message.

17 So what we do, we do a full necropsy, no matter
18 what. Even if it's a fracture of a fetlock, we open up the
19 whole animal. We examine the affected leg and the
20 contralateral. We always examine both. We do toxicology
21 and many other tests as required and decided by the
22 pathologist.

23 So there are basically three type of lesions that
24 we consider. One is the acute injury, the one that killed
25 the horse or the one that made -- forced the decision to put

1 it down. The other ones are the preexisting lesions that I
2 mentioned before. And the other one are those chronic soft
3 tissue lesions. And I'll show you a few examples.

4 See, this is -- that's a fetlock. This is an open
5 fetlock breakdown. That's the distal end of the canon bone
6 coming through the skin. And these are the sesamoid bones,
7 part of the fetlock joint. This is the acute injury. This
8 is what happened at the moment.

9 These are humerus, this bone here, this bone here.
10 And that thing that -- uh-oh, this is dying.

11 That line there, that's a catastrophic fracture.
12 That's the one that caused the death of the horse. But see
13 that inverted triangle there, that you can see it also in
14 the other leg? That's a stress fracture that had been there
15 for weeks, and that's the one that predisposed this
16 catastrophic fracture here. So that's what I mean by
17 preexisting lesions. So they develop over weeks to months,
18 and therefore they give us, not us, but the clinicians, the
19 opportunity for intervention and prevention.

20 Let me show you an example. This is, again, the
21 humeri, and this is a bone scan of a similar lesion. And
22 that thing marked with a circle there, that's a preexisting
23 lesion, which means it can be picked up in a live horse.
24 And this is a study that was done a few years ago.

25 Look, these are 166 horses that had a bone scan

1 done. Of those, none, zero, had a catastrophic fracture,
2 because they put them to rest, so they didn't fracture. And
3 these are the 32 horses that did not have the bone scan
4 done, and they all broke down. So prevention, prevention,
5 prevention.

6 And these are the soft tissue injuries. The
7 things, see this here on the right-hand side, these are
8 tendons, this is normal. Look at this, how swollen this is.
9 This is one leg, this is the other leg.

10 Okay, let's tell you a little bit about what we
11 found this past year. The really great news, see these are
12 the numbers, each of these bars is one year. We started
13 here in 1990, and this number is half, only because we
14 started halfway the year, so this is only, I think it's only
15 five months. But look, we had a peak in 2005-2006, close to
16 350 horses a year. And this last year we had 65. So the
17 line is coming down. So obviously, between all of us, we're
18 doing something good.

19 Now this year, so this number, this 65 finished
20 the 30th of June this year. This is the previous fiscal
21 year. This year, 2023-2024, as of yesterday, we counted
22 yesterday, we got already 45 horses. So I think that line
23 will go up a little bit, not dramatically, but a little bit.
24 Last year for the same period, at this time of the year, we
25 had 29. So we are a little bit higher, unfortunately, this

1 year.

2 What do we get? Mostly thoroughbreds. This is
3 the total. Of the 65, 56 were thoroughbreds, 9 Quarter
4 Horses. Usually, the ones exercising at the majority, and
5 that's still the case, the 22 racing, 18 training, but in
6 proportion, non-exercise of the medical cases, the colitis,
7 the pneumonias, they are increasing because the
8 musculoskeletal lesions are coming down.

9 Age, this is consistent over the years. See, the
10 great majority are below five years of age, and occasionally
11 we have a six-year-old, and these nine-year-olds are the
12 ponies that also come to us.

13 I mentioned, but this is just a summary, the great
14 majority are exercise, including race and training, and
15 still in the minority, the non-exercise.

16 Usually, the submission along the year is even.
17 This past year, we had a few peaks, like in November 2022,
18 and in February, and then in June again. I don't know why.

19 Gender, female, male; male means stallions and
20 geldings.

21 Structures affected, and this is just the 31
22 horses that had musculoskeletal injuries, look, the great
23 majority are in the front legs, 11 in the left front, 13 in
24 the right front, and then distribution of everything else,
25 left rear, right rear, pelvis, skull, vertebrae, and one

1 horse with the rib fractures.

2 Other systems affected. So once again, MS means
3 musculoskeletal, those are the bones, 31 cases.
4 Cardiovascular is the heart. GI is gastrointestinal; those
5 are the colitis. Nervous, one. Respiratory, these are the
6 pneumonias, four. Integumentary, that means skin, two. And
7 whole body is when we can't put the finger on any particular
8 system, and those are mostly the sudden death cases, which
9 the number stays more or less constant the last few years,
10 between 11 and 13.

11 Remember this slide that I said that catastrophic
12 fractures are the most prevalent cause of death in
13 racehorses? In California, that was true until the year
14 before. Look at this. I'm going to walk you through this.
15 This is comparison of musculoskeletal injuries versus other
16 systems. The blue bar are the bones, the musculoskeletal,
17 and the red are the other systems, the colitis, the
18 pneumonias, the encephalitis. And traditionally, we have
19 many more musculoskeletal injuries than other systems. But
20 look at '22-23, this changed. For the first time this past
21 year, we had more medical cases than musculoskeletal
22 injuries. And this is a good thing because that means that
23 the accidents are going down.

24 So something else is that in 2018, we started with
25 a Fellowship Program. This is kind of a residency program.

1 We have a person that works exclusively on the CHRB horses
2 while he or she is being trained. And that improved
3 significantly our turnaround time. We do a much more
4 efficient work. You know, a pathologist is expensive, a
5 fellow is less expensive. The documentation, the photos,
6 the reports are much more consistent. This is focused and
7 helps with outreach.

8 And of course, we are training the next generation
9 of pathologists. This is Monica. Some of you met her. She
10 was here a few years ago. She was our first fellow, 2018-
11 2022. She's currently doing a residency in image
12 diagnostics in Colorado State. And this is Dr. Carlos
13 Schill (phonetic) that started in 2022. And the reports
14 that you see these days are produced by him.

15 So we keep writing scientific papers, presenting
16 scientific meetings, and doing training workshops. You
17 might want to check online. At UC Davis, there are several
18 technical notes. I encourage you to do so.

19 HISA put together a Necropsy Handbook on which we
20 are helping, that's part of what we do. And a necropsy form
21 that we are reviewing and editing.

22 And finally, because several other jurisdictions
23 throughout the country, actually almost every state, is now
24 forced to do necropsy, some people are not prepared, so we
25 are offering out the services of California to the rest of

1 the country.

2 And I have a few people, actually many people to
3 thank. Meredith Ray, she's our Necropsy Manager in San
4 Bernardino, Lucy Gomez, that's all our information
5 technology, Sue Stover, whom you know very well at UC Davis,
6 Dr. Blea, the Medical Director of the CHRB, all our
7 pathologists, necropsy technicians and staff, and CHRB.

8 And with this, thank you very much. Happy to
9 answer any questions.

10 CHAIR FERRARO: Very well done. Thank you,
11 Francisco.

12 You want to go ahead, Brenda?

13 COMMISSIONER DAVIS: Yes, thank you very much for
14 that and making those distinctions.

15 So it sounds like you're better at detecting the
16 lesions earlier on. Is there intervention that can be
17 implemented to sort of lower that number even more?

18 DR. UZAL: There is. Once again, I'm a
19 pathologist. My patients are all dead patients. You don't
20 want to be my patient.

21 COMMISSIONER DAVIS: Okay.

22 DR. UZAL: But, yeah, there is intervention.

23 Maybe, Jeff, you want to say something about it?

24 DR. BLEA: So Commissioner Davis, Jeff Blea,
25 Equine Medical Director. To your question, Dr. Uzal is

1 seeing the end game. So with what he does and his staff in
2 the lab, they provide information to the people on the front
3 lines, the practitioners, the clinicians, the trainers, the
4 owners. With the information that they provided over the
5 years, CHRB has written numerous regulations that have
6 provided that preventative model, so his case numbers are
7 lower. I tell him every year, my goal is to put you out of
8 business.

9 So the preventative measures that have been
10 developed in veterinary medicine and through regulatory
11 avenues have, in large part, come from the work that's done
12 at the CAHFS lab.

13 EXECUTIVE DIRECTOR CHANEY: If I can add to
14 that --

15 DR. UZAL: Thank you.

16 EXECUTIVE DIRECTOR CHANEY: -- Commissioner Davis,
17 I think, I mean, I think there are sort of two factors,
18 getting stakeholders to identify these and do the
19 diagnostics, A, and then B, the cost of the diagnostics;
20 right? X-rays are pretty -- are fairly inexpensive. A PET
21 scan, which is more, used a lot more these days, is a little
22 more expensive.

23 I'm really hopeful that the work we've done in IA
24 injections, because that's an agent that speeds along this
25 process that Dr. Uzal just described, and we have the new

1 high motion joint one that you passed a few months ago,
2 hopefully goes into effect April 1st, and I'm hopeful that
3 will -- because it requires, before using an IA injection of
4 a corticosteroid and high motion joint, a diagnostic tool to
5 be used. Therefore, hopefully we can identify these
6 preexisting lesions before, A, injecting a horse, and B, you
7 know, exercising it.

8 So I'm hopeful that those measures will continue
9 to drive down the numbers. Because as you can see, the
10 musculoskeletal fractures we're doing, we're doing really
11 good work on. The other, the sudden deaths of the world,
12 have been a little bit more thorny. But, you know, still
13 whatever, the 30 -- the 25 number is still too high. We'd
14 like to drive that down to zero at some point.

15 CHAIR FERRARO: The only thing I would interject
16 is that people -- many eyes looking at the horses, different
17 veterinarians, different trainers, looking at the horses,
18 picking up, you know, subtle changes in the way they're
19 traveling, that's very important. The diagnostics come
20 after you recognize there's something going on there.

21 Thank you.

22 VICE CHAIR GONZALES: Thank you, Mr. Chairman.

23 The only question I have is related to the sudden
24 deaths. We've had a couple very high profile that garnered
25 international attention, particularly in Southern

1 California. What can you tell us about what you're seeing
2 as it relates to the sudden deaths?

3 DR. UZAL: I was hoping you were not going to ask
4 about that, because it's really a thorn on the side.

5 So the short answer is about 60 percent of the
6 sudden death cases, we come up empty handed. We've been
7 gearing up and increasing the diagnostic workup that we do,
8 and we do additional testing every year. We think that
9 about 60 percent that we come empty handed are heart
10 related. We think that they are probably electrical
11 conduction issues. We thought that perhaps there's some
12 hereditary component. We don't know that. We are
13 speculating.

14 We are currently studying the exercise records,
15 and we are noticing some differences. We've seen that
16 horses, a number of horses that died suddenly over the last
17 few weeks before death have been slowing down. So we think
18 that either the trainer or the veterinarian or the horse
19 itself picked up something that nobody knows what it is, and
20 they are slowing down.

21 We are a diagnostic laboratory. We do a little
22 bit of research, but mostly diagnostics. So there's a --
23 HISA put a group together of which I'm part right now, which
24 is studying sudden death, that includes clinicians, which is
25 fundamental. Because, once again, we see the end product,

1 we see the dead horses. And so currently there's not much
2 more that we can say.

3 The numbers are more or less constant in
4 percentage have been going up just because the
5 musculoskeletal lesions went down.

6 But we see here in California anything between 10
7 and 15 cases a year, including, like you said, you know, the
8 high-profile cases. When Medina Spirit died, we were
9 requested to send -- you know we do microscopic slides of
10 every tissue of the horse, and with that one we had almost
11 100 sections. And we were asked to send it to two different
12 places in the world for second opinions, and the second
13 opinions came exactly the same that we said, that there were
14 no significant lesions. The death is so acute, so quick,
15 there's no time to develop lesions.

16 We do extensive toxicology. We have, in most
17 cases, not all of them but in most cases we are pretty sure
18 it's not a toxicology issue, but we still don't know.

19 VICE CHAIR GONZALES: The only other question I
20 have is, as technology and research evolves, I mean, we may
21 find, may not know today, but perhaps down the line -- how
22 long do you keep the follicle, urine, and blood samples?

23 DR. UZAL: Excellent question. So about three
24 years ago, we started a tissue bank, which is kept in two
25 freezers at minus 80 degrees centigrade, with a whole lot of

1 tissues, including hair, including urine, including blood,
2 including heart, spleen, liver, lung, skin. And we have
3 multiple samples from each horse. And as new groups come
4 and develop new diagnostic techniques, we offer that freely,
5 and we hope to keep doing it. Now we are also saving
6 samples from normal horses because we want controls, and we
7 hope to keep them forever.

8 VICE CHAIR GONZALES: Okay. Great. I know
9 storage can sometimes become a constraint, like at the
10 campus here, so when I toured that, but let's hope that
11 that's never the case, so just thank you for the good work
12 and excellent presentation.

13 DR. UZAL: Thank you.

14 CHAIR FERRARO: Thanks very much.

15 DR. UZAL: I think the gentleman had a question.

16 UNIDENTIFIED MALE 1: Hello. I raced harness
17 horses for quite a few years, up until about 30 years ago,
18 but I see there's no harness racing fatalities listed. I
19 assume that's because they race only six months out of the
20 year and so forth. But isn't a fact that this fatality of
21 harness horses almost never happens? And so to lump harness
22 all horseracing together is a little bit of a danger,
23 because harness horses do not have this kind of issue that
24 thoroughbreds and Quarter Horses and so forth.

25 I personally raced at least 4,000 races. I never

1 had a horse die when I was racing, or break down while I was
2 racing, so it's a completely different breed, specific type
3 of problems; am I correct?

4 DR. UZAL: I'm assuming it is. You know, as you
5 said, I've been doing pathology for 40 years. I've never
6 had in my hands a harness horse in the postmortem room.

7 UNIDENTIFIED MALE 1: Thank you.

8 UNIDENTIFIED MALE 2: I have one question.

9 So when you were referring to sudden death, you
10 said they slow down, as in slow down when they're racing?

11 DR. UZAL: No, no, no, no, no, no. In shorter
12 distances, shorter distances, and less hours of activity.

13 UNIDENTIFIED MALE 2: Okay.

14 MR. HASSON: Joe Hasson with the TOC, Southern
15 California Stable and Vanning. I have a comment.

16 Several years ago, Del Mar, Josh Rubenstein, and
17 Tom Robbins suggested that Southern California Stable and
18 Vanning provide a service to transport horses to the Santa
19 Anita Imaging Lab to actually take advantage of trying to
20 detect these types of lesions, and this program has been
21 quite successful. I think it's part of the reason the
22 numbers have gone down. And we're now discussing extending
23 this to the whole Southern California circuit year-round,
24 and I thought that would be a good information point for the
25 Board.

1 CHAIR FERRARO: Yes. Very good.

2 Anybody else?

3 Thank you, Francisco.

4 DR. UZAL: Thank you.

5 CHAIR FERRARO: Well done.

6 DR. UZAL: Thank you.

7 CHAIR FERRARO: With that, we can move on to item
8 number ten, Executive Director's Report.

9 EXECUTIVE DIRECTOR CHANEY: Thank you, Mr.
10 Chairman, and good morning, Commissioners.

11 I will begin with the handle report. For the
12 month of November, day racing handle was up 65 percent,
13 night racing handle was up 3 percent, and total handle was
14 up 59 percent as compared to November 2022. Year to date,
15 day racing is down one percent, night racing is down seven
16 percent, and total handle is down two percent compared to
17 the first 11 months of 2022. Of course, the improved
18 numbers this month were due to the positive economic impact
19 of the Breeders' Cup World Championships at Santa Anita.

20 Next, I attended the Global Racing Symposium in
21 Tucson, Arizona the week before last. The Symposium is a
22 conference hosted each December by the Racetrack Industry
23 Program at the University of Arizona. I moderated a panel
24 on race riding inquiry adjudication philosophies, namely
25 Category 1 and Category 2. Most of the world employs

1 Category 1 philosophy, whereas North America is Category 2,
2 with the recent exception of Oklahoma, who switched to
3 Category 1. I won't bore you with the details of those
4 philosophies, but it's kind of a hot topic in racing at the
5 moment.

6 There were a fair amount of panels related to HISA
7 and HIWU, as well as hot topics in racing such as CAWs,
8 media communication, and the future of racing. I was also
9 able to sit down with HISA/HIWU leadership to discuss
10 California's assessment for 2024, as well as possible
11 credits.

12 I also attended the ARCI Board meeting, of which
13 California is a member, the day after the Symposium ended.

14 Next, I wanted to alert stakeholders that two new
15 regulatory concepts go into effect on January 1st. Rule
16 1902, Conduct Detrimental to Racing, was amended to make
17 presence at or participation in unsanctioned racing a
18 violation for CHRB licensees.

19 Additionally, Rules 1500 and 1619 were amended to
20 update and clarify the rules surrounding apprentice jockey
21 licensure. Notably, in collaboration with the Jockeys'
22 Guild, the ten-pound apprentice allowance will be
23 eliminated, leaving seven pounds and five pounds as the
24 apprentice allowance is based on wins.

25 As you know, we have a fair amount of employee

1 turnover -- we've had a fair amount of employee turnover
2 this past year at the CHRB, which is typical for a small
3 department. As such, we have a fair number of new members
4 of the team combined with a good blend of long-time
5 employees with deep institutional knowledge. A few of the
6 members of that team are here today and I encourage them to,
7 after the meeting, to introduce themselves to the
8 commissioners.

9 But the folks that I haven't mentioned at previous
10 meetings are Chief of Administration Vince Soma (phonetic),
11 Personnel Manager Paula Giannini (phonetic), Administrative
12 Manager Kim Herd (phonetic), Budget Specialist Erica
13 Hawkins, and Personnel Analyst Isabella Saephan-Hanson, and
14 Lori Baldwin. Welcome. And thank you to all CHRB employees
15 and contractors for your work and dedication.

16 Next, the Board meeting schedule for next year has
17 been posted on our website. Board meetings will be heard on
18 the third Thursday of each month with no meetings in
19 February or July.

20 Lastly, as you have probably noticed, our long
21 time public information officer Mike Martin is not present
22 at this meeting. I'm sure he's listening. Rather than say
23 that he has retired, I would call it semi-retired or
24 transitioned work duties. Rather than doing all of the
25 duties of a public information officer, including Board

1 meetings and annual report coordination and so on, Mike will
2 assume a new role as a retired annuitant, handling
3 communication with the media, you know, which he's done for
4 quite a long time.

5 Since he is not actually retiring, and I keep
6 telling him not to tell people that, I will not make a big
7 speech about him, and also he's not here to embarrass, but
8 there will be a semi-retirement celebration on January 21st
9 in Southern California. For those wishing to attend, you
10 can contact the CHRB for details.

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

12 CHAIR FERRARO: Thank you.

13 Any questions from the Board?

14 VICE CHAIR GONZALES: Mr. Chairman, yes.

15 Thank you for that report, Scott. Two items
16 related to Northern California racing. I appreciated our
17 conversation about the importance of, whether it's an every-
18 month agenda item or every other month agenda item, to deal
19 with many of the issues that are starting to percolate here
20 in Northern California. So looking forward to that to be on
21 the agenda. It will give, you know, people an opportunity
22 to ask questions, us commissioners to try to figure out, you
23 know, how we can remain vigilant as things transition.

24 The second thing, Scott, is a lot of phone calls
25 that I've been receiving about this drastic purse cut here

1 in Northern California that I would describe as being very
2 unexpected and that's really thrown a lot of the Northern
3 California horsemen, including us Commissioners, off guard.
4 I had thought that there was a deal that The Stronach Group
5 had and other interests had put on the table, which was to
6 extend racing, there'd be no opposition to legislation. And
7 then it appears as if this unexpected development, which is
8 not a normal meet, but rather a 20 percent, a very drastic
9 cut to the Northern California horsemen.

10 So I know you provided a paragraph to Dr. Ferraro
11 and I about the CHRB's limitations to intervene, but what
12 can you tell us about that? S

13 EXECUTIVE DIRECTOR CHANEY: Sure. The first
14 point, I think all three of us have spoken in sort of Nor
15 Cal, both date allocation or sort of the future we're going
16 to agendize for the January meeting just to give
17 stakeholders a heads up.

18 VICE CHAIR GONZALES: Yes.

19 EXECUTIVE DIRECTOR CHANEY: Because I think the
20 general feeling is a plan really needs to be devised in the
21 near future, given that, you know, June is the announced
22 closure of Golden Gate Fields.

23 With respect to the purse structure, yeah, it's an
24 interesting question. You know, purse -- the purse
25 structure is something that is decided on between the TOC,

1 the owner's group identified by the Board, and the, you
2 know, the particular racetrack.

3 You know, generally, I mean, just sort of the
4 edification of the audience and the Board members, the, you
5 know, purses are generated through wagering and it's a real
6 time thing, and so oftentimes it's a prediction. Sometimes
7 if you've, you know, over predicted, you end up with an
8 overpayment. In general, the track, you know, covers that
9 and tries to make the correction in the next meet.
10 Sometimes there's an underpayment and oftentimes, you know,
11 purses are supplemented sort of retroactively if wagering
12 tracks, you know, are higher than their prediction.

13 With Golden Gate closing, obviously that, you
14 know, takes on some new meaning. I think they predict a
15 pretty large overpayment. Obviously, the owner of the track
16 would prefer not to, you know, end up with an overpayment
17 and is announced a purse cut.

18 With respect to the CHRB's role, it's somewhat
19 limited. I mean, obviously we grant racing licenses.
20 That's one of the levers. The second one, if there's some
21 sort of dispute -- now the interesting thing in this case is
22 it's not clear whether -- I mean, TOC obviously has to
23 develop their position. I think it's fair to say Northern
24 California TOC members and Southern California TOC members
25 are -- probably view the purse cut differently. And so my

1 understanding at least is that, you know, the TOC is not
2 opposing the purse cut. So I think there's an internal
3 dispute within the horseman's group.

4 And then the second piece is, let's say that's
5 resolved, part of the race meet agreement allows the track
6 unilaterally to cut purses up to 25 percent. Beyond that,
7 obviously there would have to be negotiation.

8 So I don't see a statutory, regulatory, or legal
9 role in settling this dispute. I would definitely say we
10 can, you know, use our influence and both race date
11 allocation and licensure granting, you know, our levers that
12 the CHRB always has, you know, to kind of exact more
13 fairness, if you will, in these type things. And for the
14 most part, it works pretty well because there's another meet
15 that is scheduled to follow, so an overpayment, underpayment
16 can be corrected over time. I think you saw that with
17 Delmar when they asked for their license. You know, they
18 are cutting purses to correct a current overpayment.

19 On the Nor Cal side, we don't have that. You
20 know, there's not another meet that Golden Gate's going to
21 have in order to correct it. So I think in many ways this
22 is uncharted territory.

23 When Hollywood Park closed, it was a little bit
24 different because there was an overpayment from what I
25 understand. Obviously, it predates me and the Board. But,

1 you know, Los Alamitos assumed a large part of that
2 overpayment in exchange to, you know, take some other racing
3 dates, and we don't have that same situation in Northern
4 California, so it's, needless to say, pretty difficult.

5 VICE CHAIR GONZALES: Yeah. Well, Scott, thank
6 you for that. I know it's on the minds of a lot of Northern
7 California horsemen. I just think, you know, process is
8 everything, and I just think blatant disregard in terms of
9 how it was communicated, if it wasn't for what appears to be
10 a couple of news stories that were written, it's just
11 Northern California horsemen were just notified by the
12 condition book. That's not how you do business.

13 And I just feel that we have to remain vigilant
14 about the management that comes before us because I believe
15 they are doing things that are detrimental to California
16 racing. We have Arizona that's getting ready to reopen with
17 higher purses and, meanwhile, we're cutting them. I just
18 don't think that there's anybody paying very close attention
19 about how we make sure we're retaining quality horses and
20 quality horsemen.

21 So I am concerned, to say the least, and I cannot
22 wait until we have representatives of that particular
23 racetrack here before us because I have a lot of questions
24 for them.

25 But thank you, Scott. I know it's a little longer

1 than normal, your presentation, but I thought this was an
2 important matter to bring up, so thank you, Scott.

3 CHAIR FERRARO: Anyone else?

4 Dr. Blea?

5 DR. BLEA: Good morning. Can you hear me? I
6 always have to sit closer than I think I need to be. Good
7 morning, Chairman Ferraro, Vice Chairman Gonzales,
8 Commissioners, Mr. Chaney.

9 Starting out my report this morning, I'm going to
10 touch a bit on sensor technology.

11 In November, the American Association of Equine
12 Practitioners, following a strategic planning meeting of
13 industry concerns, issued a RFP seeking proposals from
14 applicants for a joint project that will involve the
15 development and application of wearable biometric sensor
16 technologies in order to improve early detection of
17 musculoskeletal injuries and thoroughbred racehorses.

18 Commissioner Davis, this is one of those modules
19 that can help prevent injuries.

20 The goal of the project is to develop a system
21 that can be widely used throughout thoroughbred racing
22 throughout the United States.

23 In the RFP, the requirements of these sensors
24 include data transmission capabilities that interface with
25 algorithms designed to detect injury. They must be scalable

1 enough for widespread use. They must be user-friendly and
2 economical so that they can be employed in all thoroughbred
3 racehorses for racing and recorded workouts with a goal to
4 be used in everyday training.

5 The sensors must be easy to use and small enough
6 to be well accepted under racing and training conditions by
7 horsemen, and by the horses themselves, obviously.

8 They must be able to generate sufficient usable
9 data to inform and assist the trainer, the veterinarian, and
10 regulatory personnel with decision-making in real time or
11 with a minimum of data processing. Generated data must be
12 reported in a format that enables secure cloud storage, must
13 be able to be anonymized if necessary for subsequent large-
14 scale analysis, and accessible via gated channels for
15 trainers, veterinarians, and regular personnel.

16 They must be adaptable when horses transfer to a
17 different location or ownership. And at this time there is
18 no timeline for the validation or implementation of these
19 sensors.

20 And the RFP went out to not only industry,
21 veterinary, but human industry as well.

22 I'd like to thank Dr. Uzal for coming here today
23 and giving a very nice presentation. I think his graph
24 showing a significant decline in musculoskeletal injuries
25 since the early '90s to today is evident and obvious, but

1 more importantly, I think that one slide that he showed
2 where the musculoskeletal fatalities are now outnumbered by
3 the medical condition fatalities. So whatever we're doing
4 in California is working, we still have more work to do.

5 And related to that, in California in the month of
6 November there was one musculoskeletal fatality in racing,
7 two musculoskeletal fatalities in training, two sudden
8 deaths in training, and one gastrointestinal related
9 fatality or a medical condition. Regarding the two sudden
10 deaths in training, one of which was diagnosed with a heart
11 ventral septal defect, so that one did have a definitive
12 diagnosis on the preliminary report.

13 The Maddy Lab, CHRB testing at the Maddy Lab in
14 November examined 361 post-race blood and urine samples,
15 including 9 official work bloods. Out-of-competition
16 testing also included 208 samples tested. There were no
17 reported positives in all of CHRB testing at the Maddy Lab
18 in the month of November.

19 Lastly, I'd like to report on the AAEP, American
20 Association of Equine Practitioners Del Mar Student Day that
21 occurred December 1st, Friday, December 1st. The AAEP
22 convention was in San Diego. It was attended by over 4,000
23 people. There were approximately 230 students who were
24 registered to attend. Of that approximately 230, over 100
25 students attended the race day at Del Mar.

1 I can't say enough thank you and kudos to Del Mar
2 for sponsoring this event. Basically, a summary of the day
3 when students met outside of the convention center, they
4 had -- Del Mar had two buses there to pick them up. I did a
5 head count of about 120, but I'm not sure all of them were
6 students, so it was definitely over 100. They transported
7 them to the racetrack. We met them at the track.

8 We watched some morning training, talked to some
9 riders. Richard Mandela was in the grandstand, so he talked
10 to them for a while. We then moved them over to the TCO 2
11 barn and test barn, upon which we had Dr. Dana Stead and Dr.
12 Brent Cassady had arranged, we discussed this ahead of time,
13 but they had arranged some race-day exams for horses that
14 were in that day, so we split up the group. Dr. Stead had
15 one side and Dr. Cassady had the other. Horses that were in
16 today were brought in and the pre-race examinations were
17 conducted at that time in front of the students.

18 We then transitioned everyone over into the test
19 barn area where Dr. Patio and Dr. Grande went through the
20 testing process, the chain of custody, the vets list, what's
21 required to get on the vets list, what's required to get off
22 the vets list, followed by touring of the barn area, upon
23 which we moved over to the grandstand. It was like herding
24 cats, I'll be honest with you, because they were enamored
25 with the facility. Took them upstairs and Del Mar fed them

1 all lunch and watched the races.

2 And the input that I received from many of the
3 students, some of the comments included, "I had no idea I
4 could do this as a veterinarian." And secondly was, "We had
5 no idea this much effort went into safety of racehorses."

6 So I think overall it was a very positive day.
7 Again, we couldn't have done it without the commitment of
8 Josh Rubenstein, Tom Robbins, and all of Del Mar because
9 they made it happen. So I think it was a good program for
10 the future of veterinary medicine, and I just wanted to
11 report that to you.

12 And that includes my report and I'm happy to
13 answer any questions.

14 COMMISSIONER DAVIS: Dr. Blea, any plan to
15 continue that program on an annual basis?

16 DR. BLEA: It is site-dependent based upon where
17 that annual convention is. So for example, next year it's
18 in Orlando. However, because of the positive response by
19 not only the students, but I had 15 practitioners, half
20 practitioners, half regulatory vets, intermixed with the
21 students, had lunch with them, get to know them, get to
22 spend time with them, tell them about internships,
23 externships, in addition to all the CHRB staff, what has
24 come out of that is discussions about doing these type of
25 events regionally, so Kentucky, Maryland, New York, Florida.

1 So it seems to have some roots that will grow and nurture
2 this type of event.

3 CHAIR FERRARO: Anyone else?

4 VICE CHAIR GONZALES: Just great job. Just great
5 job, Doc.

6 CHAIR FERRARO: Thank you very much.

7 DR. BLEA: Thank you.

8 CHAIR FERRARO: And the final item is the public
9 comment period.

10 Do we have anything?

11 EXECUTIVE DIRECTOR CHANEY: If I'm not mistaken,
12 George Schmitt is on public comment.

13 MR. SCHMITT: Good morning and thank you for the
14 opportunity to chat with you. I need to make clear that I
15 am speaking as George Schmitt, a horse owner, a horse
16 breeder, and a person who raises and takes care of horses
17 after their racing careers are done. I've been involved in
18 the horseracing business for over 30 years. I've raced
19 horses across the United States. I have a home in
20 Pleasanton, California, so I'm particularly interested in
21 what goes on with the fairgrounds.

22 As an individual, I can tell you there are a group
23 of us who are meeting with a number of people that need to
24 help us find a home for horseracing after Golden Gate closes
25 and the fair circuit ends next year. We have made a ton of

1 progress. I cannot say a heck of a lot more because there
2 are public companies involved and a number of state agencies
3 who are covered by the Brown Act and they need to be
4 careful. But I want you all to know that we have made
5 significant progress in finding a home for thoroughbred
6 racing in Northern California when the fairs conclude next
7 year.

8 The second thing that I would -- and this is just
9 for your information, I expect no action on your part, I
10 have thoroughly read the bylaws of the Thoroughbred Owners
11 of California. The only group in that, that are in the
12 bylaws, that can negotiate for Northern California is the
13 Northern California Racing Commission.

14 Commissioner Gonzales, you asked some questions
15 earlier. That committee voted unanimously to not accept the
16 25 percent reduction in purses. They were overruled by the
17 management of the TOC. It is likely that there will be
18 lawsuits filed unless they fix the problems that they have.
19 You, of course, will not be involved in that. It will be
20 between horsemen and the TOC.

21 But a number of us are concerned enough about what
22 is going on that I would ask that -- I have carefully read
23 Senator Maddy's bill that established the organization that
24 is now the Thoroughbred Owners of California. They're not
25 mentioned, of course, in the legislation because they didn't

1 exist in 1993 when that legislation was passed. It does not
2 designate the Thoroughbred Owners of California as the only
3 representative horsemen.

4 And a number of us in the North at this point in
5 time believe that to take care of horseracing in the North,
6 that we need to establish a Northern California owner's
7 organization and deal with you on racing dates in the North
8 and purses in the North, representing the North and not
9 being just simply overridden by people in Southern
10 California who could care less about what happens in the
11 North.

12 So I wanted to tell you that. I cannot guarantee
13 that we'll get this done, but I'm pretty sure that before
14 the first of the year we will have an announcement for you
15 on where we'll go next year.

16 Thank you very much. I'm happy to answer
17 questions if you have any.

18 CHAIR FERRARO: Thank you, George.

19 Any questions?

20 Well, good luck.

21 MR. SCHMITT: Thanks.

22 CHAIR FERRARO: We'll wait and see how you do.

23 MR. SCHMITT: Well, yeah, we will. We will.

24 Thank you.

25 CHAIR FERRARO: Okay. Thanks.

1 Jamey Thomas?

2 MR. THOMAS: Thank you, George. That was great.

3 My name is Jamey Thomas. I'm a trainer here in
4 Northern California.

5 Mr. Gonzales hit on it earlier about the purse
6 cuts. I was under the assumption when you guys gave Santa
7 Anita the dates that upon that, that no shenanigans would be
8 done with the Northern California racing, that they would
9 sign the bill, the AB 1074, I think it is, and that
10 everything would, you know, go smooth, and if they were to
11 do something kind of crazy, as in my opinion, cutting the
12 purses by 25 percent, that you guys -- you know, we have the
13 power to pull those dates at any time we want.

14 And I think at this time, you know, that's maybe
15 something that, obviously, you guys should look into. I
16 don't know how Golden Gate loses all this money when it
17 doesn't seem like the California fairs are having the money
18 problems that Golden Gate has. They run less days. They
19 have less horses. They have only the turf course for a
20 couple of weeks. How can CARF keep making money, but Golden
21 Gate keeps losing money?

22 And that's all I got to say. Thank you.

23 CHAIR FERRARO: Thanks, Jamey.

24 Well, that concludes this part of the meeting. We
25 have to go into closed session so I'm going to ask everyone

1 to leave so we can go into our closed session. We will
2 reunite the public part of this just for the purpose of
3 adjourning the meeting when we're done.

4 (The Board convened into closed session from
5 10:36 a.m. until 11:02 p.m.)

6 CHAIR FERRARO: Can I have a motion to adjourn the
7 meeting, please?

8 COMMISSIONER CASTELLANOS: Motion.

9 COMMISSIONER DAVIS: Davis second.

10 CHAIR FERRARO: Davis? Commissioner Davis?

11 COMMISSIONER DAVIS: Yes.

12 CHAIR FERRARO: Commissioner Gonzales?

13 VICE CHAIR GONZALES: Yes.

14 CHAIR FERRARO: Commissioner Castellanos?

15 COMMISSIONER CASTELLANOS: Yes.

16 CHAIR FERRARO: And Chairman votes yes. The
17 meeting is adjourned.

18 (The regular meeting of the California Horseracing Board
19 adjourned at 11:12 a.m.)
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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 18th day of December, 2023.



MARTHA L. NELSON, CERT**367

CERTIFICATE OF TRANSCRIBER

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.

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.

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

December 18, 2023