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BOARD OF DIRECTORS MEETING  
22ND DISTRICT AGRICULTURAL ASSOCIATION  
DEL MAR FAIRGROUNDS  
2260 JIMMY DURANTE BOULEVARD  
DEL MAR, CALIFORNIA 92014

THURSDAY, JUNE 2, 2022  
12:00 P.M.

DIGITALLY REPORTED BY: CLAUDINE METOYER, CDLR-110

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IN ATTENDANCE

OFFICERS:

- Joyce Rowland, President
- Frederick Schenk, First Vice President
- Richard Valdez, Second Vice President

DIRECTORS PRESENT:

- Lisa Barkett, Director
- Michael Gelfand, Director
- Kathlyn Mead, Director
- Sam Nejabat, Director

DIRECTORS ABSENT:

- Don Mosier, Director

ALSO PRESENT:

- Josh Caplan, Attorney General's Office
- Carlene Moore, Chief Executive Officer
- Donna O'Leary, Executive Assistant, 22nd DAA

OTHERS PRESENT:

- Martha Sullivan
- Jane Cartmill

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DEL MAR, CALIFORNIA, THURSDAY, JUNE 2, 2022

2:00 P.M.

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PRESIDENT ROWLAND: Okay. I will call the June meeting of the 22nd DAA board of directors to order. And we will have our roll call.

MS. O'LEARY: President Rowland.

PRESIDENT ROWLAND: Here.

MS. O'LEARY: Vice President Schenk.

MR. SCHENK: Here.

MS. O'LEARY: Vice President Valdez.

MR. VALDEZ: Here.

MS. O'LEARY: Director Barkett.

MS. BARKETT: Here.

MS. O'LEARY: Director Gelfand.

MR. GELFAND: Here.

MS. O'LEARY: Director Mead.

MS. MEAD: Here.

MS. O'LEARY: Director Mosier has an excused absence. And Director Nejabat.

MR. NEJABAT: Here.

PRESIDENT ROWLAND: Okay. Thank you for that.

So we will move to the consent calendar, and do any members of the board have any questions about the consent calendar or wish to move anything off consent? There are no

1 minutes from the last meeting. They'll be at the August  
2 meeting.

3           Okay. So we have two members of the public who wish  
4 to speak on the consent calendar, and the first is Martha  
5 Sullivan.

6           MARTHA SULLIVAN: I'd like to ask that Jane be first.

7           PRESIDENT ROWLAND: Sure.

8           Jane Cartmill.

9           JANE CARTMILL: I just wanted to go on the record to  
10 say that I was unhappy to see the San Diego County CowBelles  
11 listed under your fair agreements. They -- they are promoting  
12 an extremely disingenuous picture of the meat industry and beef  
13 in particular, comparing it to beyond meat, or the plant-based  
14 meat alternatives and lab-grown meat which is at this point a  
15 very small percentage of that -- of that market.

16           The -- the portrait of the family farm and a kindly  
17 rancher and -- versus the evil scientist in a laboratory  
18 creating your food, and which one are you going to vote for?  
19 The beef that was grown on grass in a farm or the thing that  
20 was grown in a petri dish? I mean, it's just very, very  
21 disingenuous.

22           There's no mention of health risks associated with  
23 animal flesh, the consumption of animal flesh. Very little  
24 mention of the environmental concerns, and certainly not the  
25 massive devastation and pollution, water pollution especially,

1 caused by the meat industry. No portrayal of a factory farm,  
2 which is where 99 percent of the meat is going to come from.  
3 No mention of the pesky little matter of slaughter, the dead  
4 cows. These cows are all just happy little cows on the farm.

5           So I just think it's very disingenuous and not that I  
6 would want children to be subjected to something traumatizing,  
7 but just that this is so over the top and so misleading. And  
8 it does -- it looks to me like, and I may be mistaken, but it  
9 looks like the fair is paying them to -- to have this  
10 presentation here, which if that's the case, it's even more  
11 troubling.

12           So thank you. I just wanted to go on the record.

13           PRESIDENT ROWLAND: Thank you.

14           And Martha Sullivan.

15           MARTHA SULLIVAN: Hello, again. Nice to see you all  
16 in person.

17           I just want to emphasize what Jane has just said.  
18 And you've heard this from me and from others before about if  
19 this 22nd DA -- DAA truly believes in its recently adopted  
20 missions and values and so forth --

21           You say in here that you want to create an  
22 environmentally and fiscally responsible land use plan aligning  
23 with purpose, mission, vision, and values of the organization.  
24 This presentation by the San Diego County CowBelles is a gross,  
25 gross distortion of what is a widely supported and accepted

1 fact about the environmental destruction of the beef industry  
2 and the benefits of plant-based food.

3           This organization as a state agency is obligated to  
4 at least present the full picture and not pay for -- which I  
5 presume you are -- propaganda by the beef industry. You are  
6 not fulfilling your purpose, mission, vision, and values  
7 whatsoever by promoting this and by -- certainly not by paying  
8 it -- paying for it. It's really appalling.

9           At a minimum, you need to have another presentation  
10 about the other side of this argument.

11           PRESIDENT ROWLAND: Thank you for your comments.

12           Okay so on the -- anymore comments from the board on  
13 the consent calendar?

14           If not, I need a motion and second.

15           MS. BARKETT: So moved.

16           MS. MEAD: Second.

17           PRESIDENT ROWLAND: Okay. Roll call.

18           MS. O'LEARY: President Rowland.

19           PRESIDENT ROWLAND: Aye.

20           MS. O'LEARY: Vice President Schenk.

21           MR. SCHENK: Aye.

22           MS. O'LEARY: Vice President Valdez.

23           MR. VALDEZ: Aye.

24           MS. O'LEARY: Director Barkett.

25           MS. BARKETT: Aye.

1 MS. O'LEARY: Director Gelfand.

2 MR. GELFAND: Abstain.

3 MS. O'LEARY: Director Mead.

4 MS. MEAD: Aye.

5 MS. O'LEARY: Director Nejabat.

6 MR. NEJABAT: Aye.

7 PRESIDENT ROWLAND: Okay. Our next item is general  
8 business.

9 And they item -- only item under general business is  
10 discuss and vote on whether to rescind the September 14th  
11 decision to include sports wagering as a permitted activity.

12 You know, based on the discussion that's in the  
13 report, and I don't know if you want to make any other comments  
14 on that.

15 Rich, you're going to?

16 MR. VALDEZ: Sure.

17 This was an item that was originally set for an  
18 agenda item in September of 2021 arising out of the DMTC  
19 Liaison Committee and so I just kind of wanted to give a  
20 background, if you -- if I can so that we all kind of  
21 understand why we're here and what we're asked -- asked to do.

22 So if you recall, first of all, I want it to be  
23 really clear that I want to explain kind of a little bit of the  
24 background so that we're all understanding the recommendation  
25 before us today.

1           As I stated in September of 2021 when we took the  
2 action that we're considering to rescind, this board has for  
3 several years expressed an interest in sports wagering in the  
4 state of California. This has been something that has been  
5 discussed across the nation for at least eight years or so.  
6 The Supreme Court of the United States issued its ruling in  
7 2018 allowing for each state to decide whether or not they want  
8 to have sports wagering. New Jersey was one of the first to  
9 embark on that. We had said in public session that we were  
10 interested in pursuing that when the time was appropriate in  
11 California, and of course the time would be appropriate only  
12 when the voters passed the opportunity to do so.

13           We were informed last year that there would be likely  
14 an initiative on the November 2022 ballot allowing for sports  
15 wagering at various casinos and then also four of the  
16 racetracks in California including us. So we are very excited  
17 for that opportunity.

18           We then put on the agenda for September 14th, 2021,  
19 what we thought was the -- the way to go forward with capturing  
20 this opportunity. And that was that the Del Mar Thoroughbred  
21 Club would operate sports wagering for the 22nd DAA and would  
22 do so under their operating agreement.

23           Now remember that the operating agreement that DMTC  
24 works under for this facility is not with the district. It is  
25 with the -- a separate entity which is the Racetrack Leasing

1 Commission. So if there was going to be any amendment to the  
2 agreement allowing DMTC to be an operator for sports wagering,  
3 it would have to be an amendment approved by the parties to  
4 that contract and also DGS, the Department of General Services.

5           The reason we had to take action was the first step  
6 in the process would be appropriately, since it was going to be  
7 on district property, the district would have to take some  
8 action stating we agree that sports wagering should be a  
9 permitted activity under the operating agreement. That would  
10 be the first step in the process as we understood it to be.  
11 And therefore, we put on the agenda for September 14th, 2021,  
12 consideration as to whether this board was willing to, under  
13 Section 5.1 of the DMTC Operating Agreement, allow sports  
14 wagering to be a permitted activity.

15           This -- this board had public comment. There was no  
16 member of the public -- if my memory serves me correctly, no  
17 member of the public stated an opposition to the idea of sports  
18 wagering at our facility. There was some discussion as to  
19 whether or not we were capturing as much of the revenue as we  
20 might have, but there was no objection to having sports  
21 wagering at our facility.

22           We -- we passed that. And then, we passed it onto  
23 the Racetrack Leasing Commission to do what was necessary to  
24 amend the agreement. They sought DGS's approval. DGS denied  
25 the -- the approval because they stated that it would have to

1 go through the competitive bidding process because there was  
2 other folks other than DMTC who might be able to operate that  
3 exercise or activity.

4           So therefore, it basically nullified our action of  
5 September of 2021. However, we wanted to be really clear to  
6 the public that we continue to be interested in sports wagering  
7 if the proper mechanism wasn't by way of an amendment to the  
8 existing operating agreement with DMTC. Then we would have to  
9 look for other avenues to be able to capture that, perhaps  
10 through an RFP. So if we issue an RFP, we didn't want to be  
11 confusing to the public as to: Well, I thought that you were  
12 going with the amended operating agreement, and now you're  
13 going an RFP. We don't understand what's going on.

14           We typically don't have to -- typically, in my  
15 experience, I've not -- I've never taken an action to rescind  
16 something, which is very unusual. We don't have an obligation  
17 to do so, but we thought, and staff recommends, that we take  
18 that action so that the public isn't confused as to what our  
19 next steps would be and why we are doing them.

20           So that's kind of the background and why we are here  
21 today. I know this is a -- an action item, and so I want to be  
22 mindful of public comment on this. And I'm going to hand it on  
23 over to President Rowland to --

24           PRESIDENT ROWLAND: Right. So first, any questions  
25 from the directors or?

1 MR. GELFAND: Do we have the actual language of what  
2 we voted to approve?

3 PRESIDENT ROWLAND: Do we have that --

4 MR. VALDEZ: I believe -- I think that set forth in  
5 the staff report -- sorry, I meant to say this -- staff report  
6 is pages 13 and 14. I believe staff tried -- used the actual  
7 language, but I may not -- I didn't look at it.

8 Carlene, did you -- did you use the actual language?

9 MS. MOORE: Yes. And if you recall -- and so what is  
10 not included in here were just -- it was subject to -- there  
11 was about seven, seven items that were part of that -- part of  
12 that action. If you give me a moment, I'll pull that  
13 information up.

14 MR. VALDEZ: Okay.

15 PRESIDENT ROWLAND: Okay. So while we're waiting to  
16 do that, any other comments?

17 So while we're doing that, why don't we go ahead and  
18 move to public comment. And the first member of the public  
19 signed up to speak is Martha Sullivan.

20 MARTHA SULLIVAN: Hello, again.

21 I actually think it's very fortunate that this has  
22 played out the way it has and that you are considering to  
23 rescind this because as I and others said back in October when  
24 you were considering this action, we felt like you weren't  
25 getting a good deal from the Del Mar Thoroughbred Club, and we

1 thought it was -- you know, was so focused on one ballot  
2 initiative.

3 I just want to read to you from a recent news  
4 article. "There is a second ballot initiative that will be  
5 also on the ballot. The operator initiative would allow online  
6 sports betting to be offered through private gambling  
7 companies. Private companies would partner with California's  
8 tribes to offer mobile sports betting across the state which  
9 the Indian casino initiative won't. So bettors wouldn't have  
10 to travel to a tribal casino or racetrack to place sports  
11 wagers. The operator initiative would tax sports betting revenue  
12 at 15 percent. After covering regulatory costs, those funds  
13 would be allocated 85 percent to homelessness programs and 15  
14 percent to non-participating tribes."

15 This is being backed and funded by about 10 of the  
16 national betting corporations. And everybody's interested in  
17 mobile sports betting. They're not interested in having to go  
18 to a brick-and-mortar location. So I just want to reinforce  
19 for you the reality of the marketplace.

20 And also I'll point out that among a number of public  
21 officials and nonprofits that are supporting this initiative is  
22 the CEO of San Diego's Regional Task Force on Homelessness. So  
23 just be mindful of the full picture out there.

24 Thank you.

25 PRESIDENT ROWLAND: The second member of the public

1 signed up to speak is Jane Cartmill.

2           JANE CARTMILL: Well, thank you for your effort to  
3 help the public not be confused about this process, but it's a  
4 little late. I'm the public; I was confused. But if I  
5 understand it correctly -- I think I do now -- shouldn't the  
6 board have disclosed that they -- that there was going to be  
7 the requirement of a non-competitive contract amendment  
8 approval from the State Department of General Services when  
9 this was first decided? Why is the public only now hearing  
10 about the fact that the department denied that in March? There  
11 were board meetings in April and in May, when you announced  
12 that there would be no board meeting in June or July while the  
13 fair is underway, but here we are today.

14           I'm glad to see that the public is being informed,  
15 but doing it this way, kind of a sudden, hastily-called meeting  
16 where people can't call in by phone or Zoom to comment the way  
17 we've been doing the last couple of years makes the situation  
18 look questionable.

19           And once again, the transparency and the integrity of  
20 the fairgrounds board starts to appear compromised as with the  
21 Midway contract debacle. The optics are detrimental to the  
22 board and the district, and they are triggering efforts by  
23 newspaper reporters to dig deeper into fairground practices.  
24 So it just seems like there are better ways to handle  
25 situations like this which would be to get them out in the open

1 right away.

2 PRESIDENT ROWLAND: Thank you.

3 Do we have the language yet?

4 MS. MOORE: Yes. So in terms of it, the time to  
5 permit the activity was that there were conditions. Sports  
6 wagering actually becomes legal in California; that DMTC would  
7 subcontract with the top-tier sports wagering operating partner  
8 to operate sports wagering at the fairgrounds; that the  
9 district would bear no expenses arising out of or related to  
10 sports wagering; that the district would control the food and  
11 beverage concession and all food and beverage revenues from  
12 sports wagering; that the district would receive an additional  
13 \$2 million annual direct payment which would increase the --  
14 what would have been -- the current direct payment from DMTC  
15 from 1.25 to 3.25; the DMTC subcontractor would, subject to the  
16 district's approval, be entitled to signage rights at the  
17 facility and that their subcontractor would be entitled to the  
18 use of the premises; and then also too the operating agreement  
19 would have been amended so that the fourth and final option  
20 period would have been exercised.

21 And again, those were all, as Director Valdez spoke  
22 to, those were all items that then -- that was the  
23 recommendation of this board to, in essence, the State  
24 Racetrack Leasing Commission in consideration of amending the  
25 operating agreement.

1           PRESIDENT ROWLAND: Does that answer your question?

2           MR. GELFAND: It leads to more questions.

3           So there's nothing in what we voted on that we would  
4 potentially vote to rescind today, that is tied necessarily  
5 specifically to this bill that's before, you know, the voters?  
6 It's sort of generic. It does presuppose that DMTC is  
7 involved, but otherwise it -- it -- any way that sports  
8 gambling could be come legal this election cycle or in a future  
9 election cycle, this would theoretically still apply in terms  
10 of the amendment to the operating agreement assuming DGS  
11 ultimately approves it? Or is this just in -- for this bill,  
12 this election cycle?

13           MR. VALDEZ: I think -- Mike, I think that -- two  
14 different things. I think that the bill that we're looking at  
15 is only the bill that would allow for sports wagering at brick-  
16 and-mortar, including the fairgrounds. If there's another bill  
17 out there that passes, then this basically becomes moot for  
18 us --

19           MR. GELFAND: Right.

20           MR. VALDEZ: -- because it would only be the passage  
21 of the -- of that one.

22           I want to be clear here. So there won't be an  
23 amendment to the operating agreement between DMTC and the  
24 Racetrack Leasing Commission allowing for sports wagering.  
25 That won't be the avenue that would be used to be able to have

1 sports wagering at our facility. If -- if we were to embark on  
2 that, which I think is the intent of -- of the organization, is  
3 by way of, likely, an RFP that we would be issuing where we  
4 would put it -- open up to all bidders including DMTC, I would  
5 suspect, and others. And just like any other RFP, we would  
6 award it to the -- the -- the -- the winner.

7 MS. MOORE: As a [inaudible] proposer.

8 MR. VALDEZ: And so -- thank you.

9 So does that answer your question? I don't think --  
10 I don't think it stops us from --

11 MR. GELFAND: No, I understand. So if we did in the  
12 future do an RFP, if the law was passed and we did an RFP, the  
13 action we took would still have -- would need to have been in  
14 place.

15 MS. MOORE: I don't think so --

16 MR. VALDEZ: I don't think so because that would only  
17 be under the operating agreement.

18 PRESIDENT ROWLAND: Yeah. The operating agreement is  
19 not the relevant, you know, vehicle in the case moving forward.

20 MS. MOORE: So the difference is in the denial, in  
21 the non-competitive bid denial. It's that -- and the reason  
22 that we are pursuing that in terms of -- on behalf of the State  
23 Racetrack Leasing Commission is because the language of the  
24 initiative is what creates -- actually opens it up that any one  
25 of the operators of those four racetracks could operate sports

1 wagering.

2 PRESIDENT ROWLAND: Right.

3 MS. MOORE: So it's not limited -- whereas we had  
4 thought it was limited to the Del Mar Thoroughbred Club, their  
5 contract is with the State Racetrack Leasing Commission. It is  
6 not actually with us as the district. So in essence, that's --  
7 this is to help clarify that. So in ess- -- it takes out of  
8 play what occurred in September, and now it would be the  
9 district, as Director Valdez said, issuing the RFP for those  
10 services and then contracting directly with us as the district.  
11 It has no impact, effect, or anything on Racetrack Leasing  
12 Commission.

13 PRESIDENT ROWLAND: And I think there's a follow-on  
14 point which was alluded to a little bit earlier that I think  
15 that the drafters of the initiative believed that what they  
16 were doing was saying that, you know, DMTC, that with the  
17 brick-and-mortar, with the horseracing, they would have the  
18 ability to have, you know, the sports --

19 MS. MOORE: The operator --

20 [Multiple speakers.]

21 PRESIDENT ROWLAND: The operator --

22 MS. MOORE: -- would have that --

23 PRESIDENT ROWLAND: That's right. So their idea, the  
24 drafters of the initiative, their idea was you can do your  
25 track, you can do your track, you can do your track. But when

1 DGS actually made their interpretation of the initiative, it  
2 did not -- was not consistent with what drafters were thinking.  
3 But the language was sufficiently ambiguous that DGS could make  
4 an alternative interpretation that any of those racetrack  
5 operators could operate at any of the racetracks. So that's  
6 why we ended up having a situation where the -- the path that  
7 we thought was the path that was proposed in the initiative was  
8 not the one that could be taken.

9 MS. BARKETT: And you are exactly right. The  
10 legislative intent was that the operator of the facility would  
11 operate the satellite wagering. So -- at their facility.

12 PRESIDENT ROWLAND: Right. But that was not what DGS  
13 determined.

14 MS. BARKETT: Right. But -- but I think this only  
15 goes to state facilities. It does not go to the privately held  
16 ones.

17 MS. MOORE: So we will be the only of the four  
18 tracks -- we're the only public facility in terms of -- of --  
19 going to bid the RFP process, the competitive bidding process,  
20 if that's the route that we go.

21 MS. BARKETT: And that's very important because the  
22 other three actually will be following the legislative intent  
23 of the drafters. We're the only ones who are opposite the  
24 legislative intent.

25 MR. GELFAND: Yeah. What I am hoping to protect --

1 you know, you got two competing bills that are going to be on  
2 the ballot. One we get nothing from. The other, we  
3 potentially do. We're trying to at least protect that  
4 possibility. I assume by not rescinding, we help that process.

5 MS. MOORE: No, no. Not rescinding simply creates  
6 the ambiguity --

7 PRESIDENT ROWLAND: Right.

8 MS. MOORE: -- of well, couldn't -- why aren't you  
9 doing -- isn't DMTC doing it? No, they will not -- we cannot  
10 follow through with what the action of the board was that was  
11 taken in September. So it's null. But it's more just  
12 clarifying that we can't do that, and now we, as the district,  
13 will pursue sports wagering ourselves --

14 MS. BARKETT: Right.

15 MS. MOORE: -- not through the State Racetrack  
16 Leasing Commission.

17 PRESIDENT ROWLAND: Yeah. And I think just the very  
18 nature of the conversation we're having probably points to the  
19 reason why we want to go back to where we were, kind of to the  
20 starting point is that there is a lot of confusion, and being  
21 to say that, you know, we're at the starting point of this.  
22 We're going to see what develops, and then we're going to take  
23 the specific action that seems more certain to be the one  
24 that's necessary to, you know, to take advantage of whatever  
25 opportunity arises.

1 MS. BARKETT: So when we were in committee, I just  
2 want it to be -- you know, because the work was done. We did  
3 talk to them about the drafters, about their intent. And so  
4 that is why we did move forward, because the in- -- it was  
5 their intent. And then when we sought out the opinion of the  
6 other racetracks and they understood it to be the same, this is  
7 where the confusion came in because we were not expecting the  
8 Department of General Services to look at it differently. And  
9 so it was not really a mistake on our part because we did our  
10 homework. And I -- you always look at legislative intent. So  
11 I -- you know, it just was interpreted different by our  
12 attorneys at DGS.

13 MR. GELFAND: So what might be the implications of a  
14 rescission?

15 MR. VALDEZ: You know, I -- I don't think --

16 MS. BARKETT: -- speculate.

17 MR. VALDEZ: -- I -- I, as the staff report states,  
18 you know, it says, "DGS denied the request to amend through the  
19 NCD process concluding that competitive bidding would be  
20 required to amend the operating agreement. This denial by DGS  
21 effectively nullified the board's September 14, 2021, action."  
22 Which is correct. I agree with that. I -- I think it's --  
23 it's null and void.

24 However, we thought that taking an -- the action with  
25 explaining to the public the reason why we want to rescind, go

1 back to square one, start anew, that would be the reason for  
2 it.

3 I don't think we're legally obligated to do so. I  
4 don't think it impairs our ability to go forward. I just think  
5 it is one of those things, kind of a rare instance, where  
6 rescission makes sense to me to be able to educate the public,  
7 let the public know where we are, and kind of ourselves as  
8 well. And I think we're, you know, in a position to move  
9 forward.

10 MR. SCHENK: It unties the know, basically.

11 PRESIDENT ROWLAND: Um-hum. Yeah. Right.

12 MR. GELFAND: So the committee's recommendation is  
13 to -- is to rescind?

14 MR. VALDEZ: It would -- in essence, yes. It would  
15 be the committee's recommendation and the staff's  
16 recommendation.

17 MR. SCHENK: Okay. And is it correct that whichever  
18 of these initiatives gets the most yay votes will be the one  
19 that -- assuming they both are passed, it's the highest vote?

20 MR. VALDEZ: I'm not sure, Fred, because I read  
21 something --

22 PRESIDENT ROWLAND: Yeah. I'm not sure either. I'm  
23 mean, I think the second proposal, the one with the -- with the  
24 gaming companies, they believe that the two can co-exist.

25 MR. VALDEZ: Correct.

1 MR. SCHENK: I see.

2 PRESIDENT ROWLAND: But I think the tribal  
3 initiative, they -- their -- they believe they cannot co-exist.  
4 So I think that that will be --

5 MR. SCHENK: There may be some litigation --

6 PRESIDENT ROWLAND: They may duke it out over that.

7 MS. MOORE: It is -- it is something that we're in  
8 the process of researching. So in terms of timeline as well,  
9 and part of the need to do this now, is because the ballot  
10 initiatives will actually be certified this month.

11 PRESIDENT ROWLAND: Right.

12 MS. MOORE: So in terms of even just in preparation  
13 for the opportunity and staff being able to move forward with,  
14 you know, in essence an alternative route now, competitive  
15 bidding, having that, and we will -- so we're researching that  
16 very same question to understand that so we correctly  
17 incorporate what our opportunities are within the opportunity  
18 that may be here.

19 MR. VALDEZ: I also wanted to be clear we are not  
20 rescinding any of the conditions that we thought were necessary  
21 in order to go forward with sports wagering. I would think  
22 that would likely be part of the things that we would set forth  
23 in an RFP if we were to issue one. We want all of these things  
24 to occur --

25 MS. MOORE: Well, we -- yeah. We would identify

1 whatever those -- you know, whatever conditions. If you think  
2 to some of the other RFPs that we have done recently where we  
3 have and, you know, conditions within it, what we are look- --  
4 and so what we would be putting into this is what we are  
5 looking for from the operator of this.

6 PRESIDENT ROWLAND: Okay. Any other comments or  
7 questions from the members of the board?

8 MR. GELFAND: Has DMTC made any comments to us about  
9 this, the potential decision?

10 MR. VALDEZ: They are aware of the -- they are aware  
11 of all the steps. They are aware of DGS -- DGS's position.  
12 They understand that this has been placed on the agenda. They  
13 understand that -- why we placed this on the agenda, and I  
14 think that they embrace the clarity that we are providing the  
15 public.

16 MR. GELFAND: So they haven't asked us -- they  
17 haven't lobbied us to take any --

18 MR. VALDEZ: No.

19 MR. GELFAND: -- position for or against rescission?

20 PRESIDENT ROWLAND: Yeah. I think they are most  
21 interested in us remaining open to the possibilities so...

22 MR. GELFAND: Absolutely.

23 MR. VALDEZ: Yeah. And I do want to be very clear,  
24 and that's why I started with this is I don't want any  
25 ambiguity with respect to at least our -- the committee's

1 position is that this is a very -- this is a great opportunity,  
2 and we are not rescinding because we're backing away from a  
3 commitment to sports wagering or a desire to pursue that. It's  
4 simply that one vote.

5 PRESIDENT ROWLAND: Okay. So --

6 MS. O'LEARY: You don't have a motion yet.

7 PRESIDENT ROWLAND: I know. I'm about to say we're  
8 about to take a vote but we need a motion first.

9 MR. VALDEZ: I'll move.

10 PRESIDENT ROWLAND: So we have -- Director Valdez.

11 MS. MEAD: I will second.

12 PRESIDENT ROWLAND: So now we'll take a vote.

13 MR. GELFAND: And so the motion is to rescind?

14 PRESIDENT ROWLAND: Yes. The motion is --

15 MR. VALDEZ: The motion is to rescind.

16 PRESIDENT ROWLAND: Yes.

17 MS. O'LEARY: President Rowland.

18 PRESIDENT ROWLAND: Aye.

19 MS. O'LEARY: Vice President Schenk.

20 MR. SCHENK: Aye.

21 MS. O'LEARY: Vice President Valdez.

22 MR. VALDEZ: Aye.

23 MS. O'LEARY: Director Barkett.

24 MS. BARKETT: Aye.

25 MS. O'LEARY: Director Gelfand.

1 MR. GELFAND: Aye.

2 MS. O'LEARY: Director Mead.

3 MS. MEAD: Aye.

4 MS. O'LEARY: And Director Nejabat.

5 MR. NEJABAT: Aye.

6 PRESIDENT ROWLAND: Okay. So the -- the last item  
7 before we move into closed session is public comment and we  
8 have two members of the public signed up and the first is  
9 Martha Sullivan.

10 MARTHA SULLIVAN: I actually have so many candidates  
11 for this, I have to decide which one I'm -- I'm going to talk  
12 about.

13 I do want to reference the May 22nd excellent  
14 reporting by Greg Moran of the *San Diego Union Tribune* on  
15 something that I've been raising to you for several months,  
16 which is the non-competitive 10-year extension of Premier's  
17 contract in exchange for \$2 million. That was another,  
18 basically, investigative journalism, an expose of this agency.  
19 And he still hasn't been able to get a straight answer from the  
20 Department of General Services about whether they approved the  
21 non-competitive amendment of that contract. They haven't been  
22 able to provide anything to him, no documentation. So that's  
23 an open question still.

24 And I would like to think that maybe this wonderful  
25 interest in clarity and transparency about non-competitive

1 contract amendments may be -- you know, follows that report.

2 I'm glad you're doing this. I encourage you to  
3 continue in this spirit, and I also encourage you to think  
4 about what may happen if General Services can never provide  
5 that proof. Whether you need to re-bid that extension and give  
6 the money back.

7 PRESIDENT ROWLAND: Jane Cartmill.

8 JANE CARTMILL: As we get closer to the start of  
9 horseracing season at Del Mar, it's infuriating to note that  
10 the California Horseracing Board reported on Tuesday the deaths  
11 of five racehorses which occurred since last Friday at three  
12 racetracks, Golden Gate Fields in Albany-Berkley, Los Alamitos  
13 in Cypress, Orange County, and Santa Anita in L.A. County.

14 Nine racehorse fatalities have been reported at Santa  
15 Anita so far in 2022 according to the horseracing board. Seven  
16 fatalities have been reported at Golden Gate Fields. Both  
17 Santa Anita and Golden Gate are owned by the Stronach Group.  
18 Seven racehorse fatalities have been reported at Los Alamitos  
19 by CHRB, as well as fatalities at San Luis Rey Downs and Cal  
20 Expo.

21 No legitimate sport would tolerate the deaths of 25  
22 athletes in a period of five months, let alone all in one  
23 state. The five reported on Tuesday are Hong Kong Cowboy  
24 killed on Sunday night at Golden Gate, a seven-year-old  
25 gelding. Desert Fog killed on Monday at Golden Gate after

1 flipping behind the starting gate, a five-year-old mare. My  
2 Panache killed in a barn accident on Sunday at Golden Gate, a  
3 three-year-old unraced filly. Her trainer, Jack Steiner, had  
4 another horse in his care die at Golden Gate in January. Urban  
5 Dance killed in another barn accident on Friday at Los  
6 Alamitos, a three-year-old unraced filly. An unnamed two-year-  
7 old killed in a stall accident Tuesday at Santa Anita. The  
8 dame was Fresh Lemonade. CHRB lists the trainer as Edwin  
9 Alvarez.

10           This is an unconscionable loss of these lives. And  
11 as we approach the season at Del Mar, I just urge you to  
12 remember all these deaths.

13           PRESIDENT ROWLAND: Thank you for your comments.

14           Okay. So we now move into closed session. And does  
15 the committee have an idea of when we might reconvene? Hour-  
16 and-a-half?

17           MR. VALDEZ: I would think it would be within an  
18 hour.

19           PRESIDENT ROWLAND: Okay. Okay. Thank you.

20                   (The meeting adjourned into closed  
21 session at 12:37 p.m.)

22                                   \*   \*   \*

23                   (The open session was resumed at  
24 2:25 p.m.)

25           PRESIDENT ROWLAND: Okay. So we are reconvening from

1 our closed session. And we have nothing to report out of the  
2 closed session. No actions were taken. And we have only one  
3 action that's required from here on, which is...

4 MR. SCHENK: So moved.

5 PRESIDENT ROWLAND: Thank you.

6 MR. GELFAND: Second.

7 PRESIDENT ROWLAND: Okay. Thank you for that.

8 (The meeting adjourned at 2:25 p.m.)

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STATE OF CALIFORNIA            )  
  )     ss.  
COUNTY OF LOS ANGELES        )

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 recorded by the electronic reporting method and transcribed into typewriting under my supervision.

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.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 9<sup>TH</sup> day of June 2022.



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