

State of Washington
PUBLIC DISCLOSURE COMMISSION
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MINUTES – Regular Meeting

9:30 a.m. | December 08, 2022

711 Capitol Way S. #206

Olympia, Washington

Commission Members (Participated via Microsoft Teams)

Nancy Isserlis, Vice Chair; Bill Downing, Member; Allen Hayward, Member; Jocelyn Cooney, Member.

Commission Members (Absent)

Fred Jarrett, Chair.

Staff Present

Jana Greer, Administrative Officer

Staff Present (Participated via Microsoft Teams)

Peter Frey Lavalley, Executive Director; Kim Bradford, Deputy Director; Sean Flynn, General Counsel; James Gutholm, Chief Information Officer; Kendra Hodgson, Communications and Outreach Director; Tabitha Townsend, Compliance Coordinator; Jordan Campbell, Compliance Coordinator; Tabitha Blacksmith, Compliance Officer; Kurt Young, Compliance Officer; John Meader, Assistant Attorney General representing the Commission; Bret Skipworth, Senior Financial Consultant, DES; Chad Standifer, Assistant Attorney General representing PDC staff; Susie Giles-Klein, Assistant Attorney General representing PDC staff.

The regular meeting of the Public Disclosure Commission (PDC) was called to order by Commission Vice Chair Isserlis at 9:30 a.m.

[PDC Meeting Video](#)

COVID-19 update: The December 08, 2022, Public Disclosure Commission Meeting was streamed live via TVW at [WAPDC.12.08.22](#)

Chair Opening Comments | [PDC Meeting Video](#)

Vice Chair Isserlis welcomed all attendees and viewers to the December 08, 2022, Regular Commission meeting.

Vice Chair Isserlis remarked that the meeting was being held remotely, however the ability for the public to attend in person was still available.

Public Comment | [PDC Meeting Video](#)

As was noticed and announced, a Teams video and conference line was provided for public comment during this time.

The following person(s) provided public comment:

- [David Turnoy](#), Chair San Juan County Democrats, commented on mini-reporting.
- [Conner Edwards](#), Campaign Treasurer, commented on PDC audits, mini-reporting, and legislative proposal.

- [Cindy Madigan](#), Money and Politics Issue Chair for League of Women Voters, commented on agency request legislation.
- [Janell Hulst](#), Precinct Committee Officer, commented on agency request legislation.
- [Kathy Sakahara](#), Legislative Director for Northwest Progressive Institute, commented on agency request legislation.

Consideration and Possible Approval of Meeting Minutes | [PDC Meeting Video](#)

Meeting minutes were presented to the Commission for consideration and possible approval:

- October 27, 2022, Regular Meeting
- November 07, 2022, Special Meeting

MOTION 21-0231 Moved by Commissioner Downing and seconded by Commissioner Hayward that the Commission approve the meeting minutes for the October 27, 2022, regular meeting and the meeting minutes for the November 07, 2022, special meeting.

The motion [passed](#) 4 – 0.

Budget Update | [PDC Meeting Video](#)

Executive Director Peter Frey Lavalley and Bret Skipworth, DES Senior Financial Consultant, provided the budget update to the Commission.

Declaratory Order Regarding Legislative Freeze Period | [PDC Meeting Video](#)

General Counsel Sean Flynn presented the [Request for Declaratory Order](#) submitted by Blue Wave Political Partners regarding the legislative freeze period and briefed the Commission on the petition process.

MOTION 21-0232 Moved by Commissioner Downing and seconded by Commissioner Hayward that the Commission move the declaratory order regarding legislative freeze period for discussion at the January 2023 regular commission meeting.
The motion [passed](#) 4 – 0.

Strategic Plan Update | [PDC Meeting Video](#)

Vice Chair Isserlis commented that the Commission held its annual strategic planning meeting in person in Olympia on November 7, 2022.

Executive Director Peter Frey Lavalley provided a brief overview on the topics discussed at the special meeting such as audits, training program, Commission outreach program, lobbying disclosure, and data analysis.

The Commission will take formal action on strategic planning items at the January 2023 meeting upon Chair Jarrett's return.

Rulemaking and Legislative Update | [PDC Meeting Video](#)

General Counsel Sean Flynn provided the Commission with an overview of the draft [proposed rule change](#) to inflationary measures [WAC 390-05-400](#).

The Commission directed staff to proceed with the proposed draft, with technical changes and inclusion of employer information, and to file by the December 20th deadline so it may be published after the new year. A public hearing could then be held in January 2023.

General Counsel Flynn and Executive Director Frey Lavalley provided an [update](#) on the Commission's draft request legislation that has been shared with stakeholders and legislators to gather input and further address any concerns.

The Commission agreed it was comfortable with staff continuing to meet with stakeholders and refining language in the proposal and with the Commission's legislative committee continuing its process. After more information has been gathered, staff may then determine if the grassroots lobbying provisions should be a separate agency request bill.

Management Team Updates | [PDC Meeting Video](#)

- [Executive Director Update](#).
- [Deputy Director Update](#).
 - [Annual Report Draft](#).
- [Customer Service and Filer Assistance Update](#).
- [IT Activity Report](#).

Enforcement Updates | [PDC Meeting Video](#)

Kurt Young, Compliance Officer, presented the enforcement update report as of November 29, 2022.

Audit Highlight Report | [PDC Meeting Video](#)

Kurt Young, Compliance Officer, presented the [audit highlight report](#).

Break/Executive Session & Closed Session

The Commission went into Executive Session at 11:55 a.m. to discuss matters allowed in Executive Session pursuant to [RCW 42.30.110](#), including but not limited to discussion of enforcement matters and pending and potential litigation with legal counsel, and review of performance of public employees. Possible action regarding litigation, or other matters properly discussed during executive session, will be taken following the executive session.

[Returned](#) to public meeting at 1:00 p.m.

Reporting Modification Requests | [PDC Meeting Video](#)

1:01 p.m. The Commission conducted a remote hearing concerning a request for a reporting modification request. Tabitha Townsend, Compliance Coordinator, presented the request to the Commission for consideration and possible approval.

- [Stephanie Sevigny](#) – School Director, East Valley SD 90 [WAC 390-28-100\(1\)\(b\)](#)

MOTION 21-0233

Moved by Commissioner Downing and seconded by Commissioner Cooney that the Commission grant the partial reporting modification, on the basis that literal application of the law would cause a manifestly unreasonable hardship on the applicant and that the limited modification would not frustrate the purposes of the Act
The motion [passed](#) 4 – 0. [Final Order](#)

Enforcement Hearing (Reconsiderations) | [PDC Meeting Video](#)

1:10 p.m. The Commission conducted a remote hearing concerning a request for reconsideration. Compliance Coordinators Jordan Campbell and Tabitha Townsend presented the requests to the Commission for consideration and possible approval.

- PDC Case [110479](#) – [Heidi Cao](#). At the September 1, 2022, Brief Adjudicative Proceeding (BAP Hearing). Ms. Cao was found in violation of [RCW 42.17A.700](#) for failure to file the annual F-1 report covering calendar year 2021 that was due no later than April 15, 2022. Ms. Cao was assessed a penalty of \$250, with \$125 suspended, which she asked the Commission to review.

[Heidi Cao](#) participated via Microsoft Teams.

MOTION 21-0234 Moved by Commissioner Downing and seconded by Commissioner Cooney that the Commission approve the request to reconsider the Final Order and penalty assessed in PDC Case 110479.

The motion [passed](#) 4 – 0.

MOTION 21-0235 Moved by Commissioner Downing and seconded by Commissioner Hayward that the Commission find the respondent in violation of [RCW 42.17A](#) and vacate the penalty in Final Order in PDC Case 110479.

The motion [passed](#) 4 – 0.

- PDC Case [110532](#) – [Melissa Vanderwerf](#). At the September 1, 2022, Brief Adjudicative Proceeding (BAP Hearing), Ms. Vanderwerf was found in violation of [RCW 42.17A.700](#) for failure to file the annual F-1 report covering calendar year 2021 that was due no later than April 15, 2022. Ms. Vanderwerf was assessed a penalty of \$250, with \$125 suspended, which she asked the Commission to review.

MOTION 21-0236 Moved by Commissioner Hayward and seconded by Commissioner Downing that the Commission approve the request to reconsider the Final Order and penalty assessed in PDC Case 110532.

The motion [passed](#) 4 – 0.

MOTION 21-0237 Moved by Commissioner Hayward and seconded by Commissioner Downing that the Commission find the respondent in violation of [RCW 42.17A](#) and vacate the penalty in Final Order in PDC Case 110532.

The motion [passed](#) 4 – 0.

Commissioner Extended Term | [PDC Meeting Video](#)

Vice Chair Nancy Isserlis noted that Commissioner Bill Downing’s official term was to conclude at the end of December 2022, however he agreed to extend his tenure briefly, pending appointment of a new Commissioner by the Governor.

Enforcement Hearings | [PDC Meeting Video](#)

1:26 p.m. The Commission conducted a hearing for alleged violations of [RCW 42.17A.700](#) for failure to file Personal Financial Affairs Statements (F-1 reports) disclosing financial information. Compliance

Officer Tabatha Blacksmith presented the case to the Commission for consideration and possible action.

- PDC Case [110582](#) – [Kurt Shawn Merz](#), School Director for the Wahkiakum School District 200. PDC staff alleged that the Respondent violated [RCW 42.17A.700](#) by failing to file a Personal Financial Affairs Statement (F-1 report), due no later than April 15, 2022, disclosing financial information for calendar year 2021.

MOTION 21-0238 Moved by Commissioner Hayward and seconded by Commissioner Downing that the Commission find the respondent in violation of [RCW 42.17A](#) and impose a civil penalty of \$500 and that the penalty is paid within 30 days from the date of the Final Order and there are no further violations for 4 years. The motion [passed](#) 4 – 0.

Meeting adjourned at 1:37 p.m.

Approved January 26, 2023