

**State of Washington**  
**PUBLIC DISCLOSURE COMMISSION**  
**711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908**  
**(360) 753-1111 • FAX (360) 753-1112**  
**Toll Free 1-877-601-2828 • E-mail: [pdc@pdc.wa.gov](mailto:pdc@pdc.wa.gov) • Website: [www.pdc.wa.gov](http://www.pdc.wa.gov)**

**MINUTES – Regular Meeting**

9:30 a.m. | March 25, 2021

711 Capitol Way S. #206

Olympia, Washington

**Commission Members Present (Participated via Microsoft Teams Online)**

Fred Jarrett, Chair; Nancy Isserlis, Vice Chair; Bill Downing, Member; Russell Lehman, Member.

**Staff Present (Participated via Microsoft Teams Online)**

Peter Frey Lavalley, Executive Director; BG Sandahl, Deputy Director; Kim Bradford, Communications and Outreach Director; Sean Flynn, General Counsel; James Gutholm, Chief Information Officer; Jana Greer, Administrative Officer; Kurt Young, Compliance Officer; Philip Stutzman, Compliance Officer; Jennifer Hansen, Compliance Officer; Tabatha Blacksmith, Compliance Coordinator; Tabitha Townsend, Compliance Coordinator; John Meader, Assistant Attorney General representing the Commission; and Chad Standifer, Assistant Attorney General representing PDC staff.

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

**[PDC Meeting Video](#)**

COVID 19 update: The March 25, 2021, Public Disclosure Commission Meeting was streamed live at <https://www.youtube.com/user/WASTPDC/live>.

The commission meeting was held remotely pursuant to the Governor’s Emergency Proclamation [20-28](#) regarding Covid-19, waiving in-person meeting and access requirements.

**Public Comment | [PDC Meeting Video](#)**

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

Dmitri Iglitzin of Barnard Iglitzin & Lavitt LLP provided public comment concerning the rules implementing [SSB 6152](#) and voiced the concern of his clients regarding membership organizations. He asked that the Commission consider clarifying section (1), subsection (c) of the proposed permanent rules.

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

Chair Jarrett welcomed all attendees and viewers to the March 25, 2021, virtual regular Commission meeting.

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

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

- February 25, 2021, Regular Meeting

**MOTION 21-020**      Moved by Commissioner Downing and seconded by Commissioner Lehman that:

**The Commission approve the meeting minutes for the February 25, 2021, regular meeting as presented.**

The motion passed 4 - 0.

**Legislative Update | [PDC Meeting Video](#)**

General Counsel Sean Flynn reported that no legislation directly affecting the PDC is active at this time. The primary focus during this phase of session is on the budget. The Senate is expected to release its budget proposal today.

**Interpretation – Surplus Funds | [PDC Meeting Video](#)**

General Counsel Sean Flynn presented a draft interpretation on the use of surplus funds [RCW 42.17A.430](#).

Staff recommended the Commission take the first draft under consideration and prepare for potential adoption at the April 22, 2021, regular Commission meeting. Staff will seek public comment and report back to the Commission with any revisions.

The Commission concurred and discussed revisiting surplus funds in 2022 for potential legislative action.

**Rulemaking – SSB 6152 (2020) Foreign Nationals | [PDC Meeting Video](#)**

General Counsel Sean Flynn presented the current draft of [SSB 6152](#) concerning certification of the level of foreign national ownership for corporations that participate in Washington state elections.

Staff recommended that the Commission adopt the proposed permanent rules with additional refinements concerning the exception for de minimis amount of foreign national funding, and clarifying that the segregation of foreign national funding does not apply to the exception for dues paid to membership organizations. Staff recommended preserving the language copied from the federal rules regarding decision-making involvement in order to use the federal standard for guidance. Staff did not recommend any changes to the language for the certification process and requirements.

**MOTION 21-021** Moved by Commissioner Isserlis and seconded by Commissioner Lehman that:

**The Commission adopt the proposed rule for [SSB 6152](#) as further modified by the discussion at the March 25, 2021, regular Commission meeting.**

The motion passed 4 - 0.

General Counsel Flynn added that once filed, the rule would take effect 31 days after filing. PDC staff will communicate that to the regulated community.

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

[Peter Frey Lavallee](#), Executive Director, provided the following updates to the Commission:

- COVID-19 & Telework
- State Safety Survey

- Ergonomic Training Opportunities
- PDC Staff Computer Upgrade

[BG Sandahl](#), Deputy Director, provided the following updates:

- Active Cases
- Final Pre-2938 Case
- Compliance Staff Coordination in ORCA Replacement

[James Gutholm](#), Chief Information Officer, provided the following updates:

- PDC Staff Computer Upgrade
- Office 365 Migration
- Website Redesign

[Kim Bradford](#), Communications and Outreach Director, provided the following updates:

- F1 Deadline & Outreach
- Candidate Season & Outreach
- ORCA Project

#### **Budget Update** | [PDC Meeting Video](#)

Chad Johnson, Senior Financial Consultant, Department of Enterprise Services (DES), informed the Commission the first legislative budget proposal would be released later in the afternoon of March 25, 2021.

Executive Director Lavallee added that the governor's budget made the temporary IT project and training and outreach staff positions permanent and funded them out of the "22W" Transparency Fund. Staff will continue to express to the Legislature the need to have these positions funded from the general fund going forward.

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

- [Audits](#) – Commissioner Isserlis, Compliance Officer Kurt Young, and Compliance Officer Erick Agina presented audit findings on four 2018 campaigns that were reviewed.

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

11:30 a.m. The Commission conducted a remote hearing concerning requests for reporting modifications. Jennifer Hansen, Compliance Officer, presented the requests to the Commission for consideration and possible approval.

#### **New**

- [Bonnie Decius](#) – Water & Sewer Commissioner, Beacon Hill Water & Sewer District [WAC 390-28-100\(1\)\(d\)](#)

Bonnie Decius participated via phone on Microsoft Teams.

**MOTION 21-022** Moved by Commissioner Downing and seconded by Commissioner Isserlis that:

**The Commission grant the partial reporting modification as requested, 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.

Commissioner Lehman remarked he supported the motion due to the applicant resigning and no longer holding public office.

- [Anna Maria de Freitas](#) – Council Member, Town of Friday Harbor [WAC 390-28-100\(1\)\(d\)](#)

**MOTION 21-023** Moved by Commissioner Downing and seconded by Commissioner Lehman that:

**The Commission deny the partial reporting modification as requested, on the basis that the applicant has failed to show that literal application of the law would cause a manifestly unreasonable hardship or that the modification would not frustrate the purposes of the Act.**

The motion passed 4 - 0.

- [Christina Jepperson](#) – School Director, Sedro Woolley School District 101 [WAC 390-28-100\(1\)\(d\)](#)

**MOTION 21-024** Moved by Commissioner Lehman and seconded by Commissioner Downing that:

**The Commission deny the partial reporting modification as requested, on the basis that the applicant has failed to show that literal application of the law would cause a manifestly unreasonable hardship or that the modification would not frustrate the purposes of the Act.**

The motion passed 4 - 0.

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

- [Enforcement Process Map](#) – Commissioner Downing and Alice Fiman, Compliance Officer, presented the enforcement mapping process and future expectations and goals.
- [Campaign Reporting Modernization](#) – Commissioner Jarrett and James Gutholm, Chief Information Officer, presented updates regarding the replacement of the campaign finance reporting system.
- [Digital Political Advertising Disclosure](#) – Commissioner Lehman, Kim Bradford, Communications and Outreach Director, and Sean Flynn, General Counsel, presented updates on the concept of connecting expenditure data to commercial advertiser disclosure and expressed challenges of working with large internet providers.

- [Training Program Expansion](#) – Commissioner Jarrett and Kim Bradford, Communications and Outreach Director, presented the progress made in identifying and prioritizing training program improvements.

### **Executive Session**

The Commission went into Executive Session at 12:17 p.m. to discuss matters allowed in Executive Session pursuant to [RCW 42.30.110](#), including but not limited to discussion of enforcement matters, pending and potential litigation with legal counsel, and personnel matters.

Returned to public meeting at 1:00 p.m.

### **Annual F-1 Enforcement** | [PDC Meeting Video](#)

1:04 p.m. The Commission conducted an enforcement hearing for alleged failure to timely file annual Personal Financial Affairs Statements (F-1 reports), due no later than April 15 each year by elected and appointed officials. Tabatha Blacksmith, Compliance Coordinator, presented PDC Case [80248, Aiomanu Patu](#).

- Aiomanu B. Patu, a former School Director for Seattle School District 001. PDC staff is alleging 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, 2020, disclosing financial information for calendar year 2019 and failure to file a Personal Financial Affairs Statement (F-1 report) due no later than April 15, 2019, disclosing financial information for calendar year 2018.

Commissioner Lehman proposed an amendment to impose a civil penalty of \$750. The amendment to the motion failed.

**MOTION 21-025** Moved by Commissioner Downing and seconded by Commissioner Lehman that:

**The Commission find the Respondent in violation of RCW 42.17A and impose a civil penalty of \$500 and require the Respondent to file the missing F-1 reports for calendar year 2018 and 2019 within 30 days of the date of the Final Order.**

The motion passed 4 - 0.

Tabatha Blacksmith, Compliance Coordinator, presented PDC Case [80230, Joshua Quantrell](#).

- Dani Joshua Quantrell, an incumbent Parks & Recreation Commissioner for Klickitat Recreation District. PDC staff is alleging 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, 2020, disclosing financial information for calendar year 2019 and failure to file a Personal Financial Affairs Statement (F-1 report) due no later than April 15, 2019, disclosing financial information for calendar year 2018.

**MOTION 21-026** Moved by Commissioner Downing and seconded by Commissioner Lehman

that:

**The Commission find the respondent in violation of RCW 42.17A and impose a civil penalty of \$500 and require the Respondent to file the missing F-1 reports for calendar year 2018 and 2019 within 30 days of the date of the Final Order.**

The motion passed 4 - 0.

Tabitha Townsend, Compliance Coordinator, presented PDC Case [80283, Justyn Turner](#).

- Justyn Turner, a former School Director for Mary Walker School District 207. PDC staff is alleging 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, 2020, disclosing financial information for calendar year 2019.

**MOTION 21-027** Moved by Commissioner Downing and seconded by Commissioner Lehman that:

**The Commission find the respondent in violation of RCW 42.17A and impose a civil penalty of \$500 and require the Respondent to file the missing F-1 report for calendar year 2016 and 2019 within 30 days of the date of the Final Order.**

The motion passed 4 - 0.

#### **Enforcement Updates** | [PDC Meeting Video](#)

Kurt Young, Compliance Officer, provided the enforcement update report for the period February 18, 2021, through March 15, 2021:

As of March 15, 2021, the PDC had 37 active cases. Thirty-four cases were closed during the period.

#### **Budget Update (Continued)** | [PDC Meeting Video](#)

Executive Director Lavalley provided an update he received from Chad Johnson, Senior Financial Consultant, Department of Enterprise Services (DES), regarding the release of the Senate budget proposal. No cuts were made to the PDC budget and as anticipated the three temporary staff positions were made permanent but funded from 22W.

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

Chad Standifer, Assistant Attorney General, presented the proposed Stipulation for PDC Cases [26814](#) and [28028](#), Barbara Johnson, John Neill, Ron Hue, Renee Brooks, and Calvin Dudney, Kennewick Public Facilities District Board Members, involving alleged violations of: RCW 42.17A.555 by authorizing the use of Kennewick Public Facilities District facilities to produce election related material and engage in election related activities that promoted Proposition 17-4, a ballot measure on the November 7, 2017 General Election ballot that asked voters to authorize a two tenths of one percent (2 cents per \$10.00) sales and use tax increase to fund improvements to the Toyota Center and expansion of the Convention Center of the Three Rivers campus, operated by Kennewick Public Facilities District.

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Eric Ferguson with Kirk Ferguson Law participated via phone on Microsoft Teams.

**MOTION 21-028** Moved by Commissioner Downing and seconded by Commissioner Lehman that:

**The Commission accept the proposed stipulation as presented and find the following members of the Kennewick Public Facilities District Board; Barbara Johnson, John Neill, Ron Hue, Renee Brooks, and Calvin Dudney in violation of RCW 42.17A and impose a civil penalty of \$2000 to each respondent with \$1000 suspended contingent on no further violations of RCW 42.17A or WAC 390 within four (4) years and the non-suspended portion of the penalty paid within 30 days of the date of the Final Order.**

The motion passed 4 - 0.

Meeting adjourned at 2:09 p.m.

Approved April 22, 2021.