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BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

CRISTALINA LLC,

Respondent.

DOCKET NO. UW-090516

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

CRISTALINA LLC,

Respondent.

DOCKET NO. UW-132013

In the Matter of the Penalty Assessment
Against

MARIA K. LINDBERG

In the Amount of \$14,600

In the Matter of

CRISTALINA LLC,

Joint Application for an Order Approving Sale
and Transfer of Assets and Removal of Cristalina
LLC from Regulation

DOCKET NO. UW-140820

DOCKET NO. UW-141301

DECLARATION OF MARIA LINDBERG

DECLARATION OF MARIA LINDBERG
MOTION - 1

Law Office of
Richard A. Finnigan
2112 Black Lake Blvd. SW
Olympia WA 98512

1 I, Maria Lindberg, hereby declare under penalty of perjury under the laws of the State of Washington
2 that from my own knowledge the following statements are true and correct:

- 3 1. I am the owner of Cristalina LLC.
- 4 2. I take my responsibilities very seriously. I quite my job as a real estate broker in order to make sure
5 that all the books and accounting for Cristalina were correct. Only to find that in Cristalina things
6 were far from okay in regards to the billing and accounting. I called the UTC immediately and let
7 them know the situation.
- 8 3. In 2013 I collected a total of \$1300 for my management fee for the entire year. This included the four
9 months full time work I put into correcting the Cristalina books. I was living on my savings. The
10 reports that my bookkeeper turned into me showed that not only was I getting paid but the Cristalina
11 office rent was getting paid as well. This was not the case. I was living off my savings and paying for
12 Cristiana's office rent out of the Lindberg Group.
- 13 4. The management fee that I paid myself in 2014 was the amount approved by the UTC and nothing
14 more. To say that the SRF funds went to my personal management fee for 2013 and 2014 would be
15 false.
- 16 5. The monthly expenses required to run the water company is greater than the revenues collected for
17 the water system in the last year and a half. One increase can be attributed to the Department of
18 Health requirements that Cristalina conduct weekly tests on the water system. I thought this situation
19 would be a temporary. Unfortunately, the situation was not temporary and the company continued to
20 run at a deficit. In addition, Cristalina faced additional challenges, which included a bookkeeper who
21 embezzled funds from Cristalina.
- 22 6. Ideally, I would prefer to go after my prior bookkeeper for damages. Cristalina did not join the civil
23 suit, because damage recovery was unlikely. However, her husband earns \$16/hr. and the couple
24 supports two children and that the former bookkeeper is not currently employed. The decision was
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1 made to limit Cristalina's legal expenses. Cristalina does not have the funds to pursue more charges
2 against someone who has no assets.

3 7. I have wanted nothing more than to transfer this company to another water company since the whole
4 embezzlement discovery came to light. I did however feel responsible for correcting the mistakes
5 that were made in the bookkeeping. It was a complete disaster. If anyone took over the company they
6 would have just had to erase past due debt and start all over. I felt this was unfair and unjust to those
7 who have been good customers and have paid for many years.

8 8. Since September of 2013, I took the records of Cristalina to Seattle to work in an auditing office. This
9 is because I live in Seattle and would have to be there daily.

10 9. I have another assistant I pay through the Lindberg Group, but who spends part of her time on
11 Cristalina issues. The assistant is located in Bellingham, WA. Part of her responsibilities includes
12 taking messages from Cristalina customers and forwards the messages to me. She also picks up
13 Cristalina checks, makes copies, and emails those to me. She prepares a spreadsheet on Excel used to
14 provide additional internal controls to insure deposits and checks matched. These excel sheets are
15 posted on our internal website so that the accountant in Seattle can double check information. My
16 accountant, at the Seattle auditing office, conducts the final entries into the Cristalina books. It was
17 important to me to have two check and balances because I could not afford to have another
18 embezzlement case on my hand. I was already dealing with many customer complaints in dealing
19 with correcting their bills.

20 10. The actual expense for the use of the Bellingham office is three times higher than what is being
21 charged to Cristalina. Initially, the reason it was so low was because it was only a portion of the
22 office and I was bringing in income from real estate sales. That has not been the case since
23 September 2013. Since September 2013, the Bellingham office continued to be charged to Cristalina
24 the reduced rate. I only charged 30% of actual space expense to Cristalina, because that was the
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1 amount approved by the UTC. It is also important to note that Cristalina was able to use the Seattle
2 auditing office for free, and only incurred parking expenses.

3 11. I made all efforts to be fair with the expense allocation charged to Cristalina. Currently, I continue to
4 follow those same efforts, even though the actual time and expense to me, personally, increased
5 significantly. It is extremely costly to keep this company running. Expenses are much higher
6 because of the preparation of the transfer of the asset.

7 12. It was also my understanding that my first obligation was to provide safe drinking water to customers.
8 Currently, Water Operator fees are four times higher, due to testing requirements demanded by the
9 Department of Health. This critical point is absent from the report submitted by the UTC. Repairs on
10 the system were also up \$4000 from the previous year.

11 13. I am truly sorry I did not have the funds to put into the SRF fund. It was my plan to have these funds
12 recovered in the transfer of the property. I was not trying to neglect my obligation. Far from it.
13 Everything I have done in the last year has been to make the transfer of Cristalina a proper one so that
14 they would not have any issues with customer billing.

15 14. Currently we have \$ 39,766.79 in accounts receivable. We have had to forgive funds for Bankruptcy,
16 Foreclosures, and nonpayment disconnections that were not paid. This forgiveness has been more
17 than \$40,000 in lost revenue.

18 15. When drafting the agreement with Mr. Ireland. He initially had the price of the company for about
19 the amount of the SRF loan debt. It was my idea to have complete transparency and show that we
20 were taking care of the SRF loan funds so that everyone would know it was taken care of correctly.
21 It seems that maybe we should have gone the route Mr. Ireland initially suggested then I would be
22 able to pay the SRF fund with the proceeds of the sale of the company.

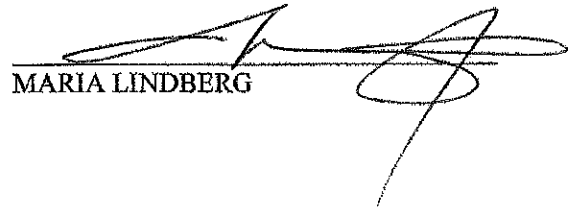
23 16. This company has been a huge financial loss for me. I am loosing between myself personally and my
24 company over \$17,000. This does not include the \$16,000 I had to pay for the company to get in out
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of a sheriffs sale when I inherited it or the opportunity cost I lost over the last year trying to make this company viable for transfer.

17. I have made the August surcharge payment. I have included a copy of the deposit. I also plan to make the September one.

Dated this 5 day of September, 2014.


MARIA LINDBERG