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July 21, 2011

VIA E-MAIL AND HAND DELIVERY

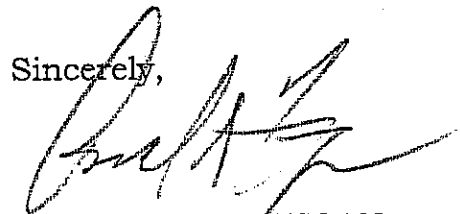
Mr. David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98504-7250

Re: Docket No. UW-101818 - Washington Utilities and Transportation
Commission v. Maria K. Lindberg

Dear Mr. Danner:

Enclosed are the original and nine copies of the Testimony of Maria K. Lindberg and Certificate of Service. Please let me know if you have any questions.

Sincerely,



RICHARD A. FINNIGAN

RAF/km
Enclosures

cc: Sally Brown (via e-mail and hand delivery)
Maria Lindberg (via e-mail)

CERTIFICATE OF SERVICE
UW-101818

I hereby certify that I have served the attached Testimony of Maria K. Lindberg by e-mail and hand delivery to the following:

Sally Brown
Assistant Attorney General
WUTC
PO Box 40128
Olympia, WA 98504-0128
jcameron@utc.wa.gov

I further certify that I have served the attached Testimony of Maria K. Lindberg by e-mail and hand delivery to the following:

David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98504-7250

Dated at Olympia, WA this 21st day of July, 2011.

By: 

Richard A. Finnigan

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

MARIA K. LINDBERG,

Respondent.

DOCKET UW-101818

**TESTIMONY OF
Maria K. Lindberg
ON BEHALF OF
MARIA K. LINDBERG**

July 22, 2011

1 Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND
2 RELATIONSHIP TO CRISTALINA, LLC?

3 A. My name is Maria Lindberg. My business address is 1200 Old Fairhaven Pkwy,
4 Bellingham, WA 98225. I am the managing member of Cristalina, LLC.

5 Q. ARE YOU AWARE THAT YOU WERE CHARGING THE WRONG
6 AMOUNT TO YOUR CUSTOMERS?

7 A. Not at the time. One of the complaints from Staff is that we charged the wrong
8 amount for several months before changing to the correct amount. Amy White
9 states in her testimony that she was working with us on a monthly basis. Why did
10 she not bring it to our attention that we were off by \$1.70 a month? We are going
11 to credit customers for the over payment.

12 Q. PLEASE EXPLAIN THE HISTORY OF YOUR WATER USAGE
13 INFORMATION.

14 A. Amy White testifies that we had sufficient water usage information to file
15 temporary rates. I just attended the Rate Making 101 course in which I was
16 educated that you had to have at least one year of water usage in order to file for
17 metered rates.

18
19 We started measuring water usage in April of 2010. There was a lot of confusion
20 between the water operator and the water meter reader as to how to read the
21 different meters correctly. There were also several meters that were not working
22 correctly that we had to replace. Once the meters that were not working were

1 replaced, we had one of the main pumps go out and then that had to be replaced as
2 well.

3
4 Knowing that there was a big issue that was not being resolved and we did not
5 have readings that made any sense despite the meter reader and water operator's
6 efforts, I went out to the site and clarified the readings of meters in September of
7 2010. I took photos of all of the meters and showed the meter reader how to
8 convert those to read at cubic feet so that there was a consistent reading. You will
9 notice that on the spreadsheets on the readings before this date there are double
10 zeros added to some readings to make them consistent. This was not fixed until
11 September of 2010. As a result, we are just now getting close to having sufficient
12 information.

13 **Q. PLEASE EXPLAIN THE ISSUES YOU HAVE HAD WITH THE**
14 **ACCURACY OF YOUR BOOKKEEPING.**

15 **A.** The last rate case has required that layers of issues had to be resolved in our
16 bookkeeping. We started this work with my bookkeeper named Carol Tribe.
17 Carol ended up having to quit quickly due to a health issue and was unable to train
18 anyone or work. I called a friend of mine that ran a bookkeeping business to step
19 in until I could hire someone. This person's name was Terryl Cooper. I have had
20 bookkeepers for years and never had the issues I had with Terryl. I would ask
21 about items and she would assure me they were taken care of and paid. I did not
22 go into the files and check, I have never had to do so with other bookkeepers. I

1 did check her work the first month and assumed she had it down, because she also
2 said that she did. I found there to be several issues with Terryl, the main one was
3 her being irritated with me telling her what to do and questioning her process. It
4 also seemed like she was unable to keep up with the work despite her assuring me
5 she was. She quit when she saw I was in the process of hiring someone to "help"
6 her. She was very upset and ended our friendship.

7
8 Carol came back to train the new bookkeeper, Stephanie, on the water system. In
9 addition, Stephanie has been going to training at the UTC regarding Rate Making
10 101 as well as consumer issues with Diana and Rachel at the UTC.

11 **Q. HAVE YOU HAD MAJOR REPAIRS TO THE WATER SYSTEM?**

12 A. Cristalina has been faced with a number of major repairs. We have taken care of
13 all of them up to this date. Right now our expenses have greatly exceeded our
14 income. We are doing everything we can to get people to catch up on their bills
15 that are behind and just received training and ideas on how to handle some of the
16 greater delinquent accounts.

17 **Q. WHAT RESOURCES HAVE YOU USED TO LEARN THE**
18 **REGULATORY PROCESS INVOLVED IN MANAGING A WATER**
19 **COMPANY?**

20 A. I do rely heavily on my bookkeepers to do bookkeeping. That is their job. All of
21 the bookkeepers I have hired, including Terryl, have been experienced as
22 bookkeepers. However, there are no experienced bookkeepers in the utility

1 industry that I could find in the Bellingham area. It is something that we have to
2 try to train them in. I have also tried hiring attorneys to help with some of the
3 collection issues in bookkeeping and found that there was lack of knowledge in
4 that camp as well. The UTC is the greatest source of knowledge for information
5 as they are the regulators. I am happy to have met so many helpful people there
6 lately and feel grateful for having been able to take the classes they offered me. I
7 am wondering why no one has mentioned these classes or training until January of
8 this year. They would have been very helpful several years ago and we would not
9 have had to go through this much of a learning curve.

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11 I have had two bookkeeper changes since this process began. Carol left due to
12 some severe health issues, and Terry due to incompetency. Carol has come to
13 train Stephanie and Stephanie is planning on staying on board. We are a small
14 company. We do not have the money to keep a bookkeeper here more than a few
15 hours a day. I trained Terry the best I could on what I knew had to be done. I did
16 not train her in bookkeeping as that was her job to do.

17 **Q. MR. YONKER STATES THAT YOU HAVE FAILED TO MANAGE**
18 **YOUR COMPANY. DO YOU HAVE A RESPONSE?**

19 **A.** There is a difference between managing and doing every job personally. I have
20 managed the company and continue to manage the company. I cannot perform
21 every task myself. I have to rely on honesty in my employees. I repeatedly asked
22 the bookkeeper if there were any issues. She repeatedly told me no. I repeatedly

1 asked the bookkeeper if all bills were being paid. She repeatedly told me yes. I
2 repeatedly asked the bookkeeper if she was properly tracking money into the
3 appropriate accounts and whether she had any questions about that. She assured
4 me repeatedly that she knew what she was doing and that everything was being
5 handled properly. Those assurances turned out to be incorrect. No manager can
6 know if someone is purposely misleading them.

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8 The bookkeeper did not even tell me that she was receiving calls from Mr. Yonker
9 inquiring into issues. I had no clue that there was anything wrong since
10 Commission Staff did not contact me, but contacted the bookkeeper.

11 **Q. DO YOU HAVE A RESPONSE TO MR. YONKER'S ALLEGATIONS**
12 **THAT YOU WERE UNDERCHARGING YOUR CUSTOMERS?**

13 **A.** Yes. I gave a credit to customers. I did this because they were receiving poor
14 water service and I thought it was fair, as manager of the company, to recognize
15 that fact while we were trying to get a loan in place and repair the system and
16 bring it up to a better condition. So I gave some credits. I do not believe it should
17 be a violation to credit customers as a management decision when they are
18 receiving service that is not to the level that it should be.

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20 I am being accused of not managing the company, but then when I make a
21 decision on a management basis to address customers' concerns, I am told that I
22 have committed violations. That just does not make sense.

1 Q. WHAT HAPPENED WHEN YOU ATTEMPTED TO COLLECT
2 AMOUNTS DUE FROM CUSTOMERS THAT HAD NOT PAID WHAT
3 THEY OWED?

4 A. During the last rate case, Ms. White told me that I should take action to address
5 substantial amounts of unpaid bills. To do this, I retained an attorney to try to
6 collect on the bad debt, if bad debt is the right term. In any event, to collect on the
7 amounts that were owed.

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9 In doing so, decisions have to be made. Is it better for the company and its
10 customers to collect part of what is owed or incur attorney's fees that exceed what
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15 make sense. To try to pursue every penny that is owed and incur the attorney's
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18 Q. DO YOU HAVE ANY FURTHER COMMENTS ON THE
19 OVERCHARGES?

20 A. I have already addressed this matter. We did not realize that these overcharges
21 were going on. If I was having as active oversight from the Commission as it
22 appeared to be from their testimony, someone could have pointed that out to me

1 and we would have made the adjustment as soon as we knew. We thought we
2 were charging the correct amount but made a mistake.

3 Q. **DOES THAT CONCLUDE YOUR TESTIMONY?**

4 A. Yes.

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