

CITY OF UNION CITY
HOUSING AUTHORITY

SPECIAL MEETING :
: TRANSCRIPT OF RECORDED
: PROCEEDINGS
:
:

3911 Kennedy Boulevard
Union City, New Jersey

June 30, 2014
Commencing at 5:08 p.m.

M E M B E R S P R E S E N T:

TERESA CORNELIO, COMMISSIONER
DELSA T. DeMARTINEZ, COMMISSIONER
MARGARITA GUTIERREZ, COMMISSIONER
DOROTHY JETTER, COMMISSIONER
DENNIS E. GONZALEZ, COMMISSIONER
MARTIN T. MARTINETTI, CHAIRPERSON

M E M B E R S A B S E N T:

EDWIN MARINEZ, COMMISSIONER

A L S O P R E S E N T:

VIRGILIO CABELLO, EXECUTIVE DIRECTOR/BOARD SECRETARY
JULIO C. MOREJON, ESQ., COUNSEL
RAFAEL NATERA, ASSISTANT TO CFO
WALDO MORIN, DEPUTY DIRECTOR OF OPERATIONS

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1 MS. DILLON: On the record.

2

3 (Whereupon, the Pledge of Allegiance was
4 said.)

5

6 **ROLL CALL:**

7

8 MR. CABELLO: Okay, roll call.
9 Chairman Martinetti?

10 CHAIRPERSON MARTINETTI: Here.

11 MR. CABELLO: Teresa Cornelio?

12 COMMISSIONER CORNELIO: Here.

13 MR. CABELLO: Delsa DeMartinez?

14 COMMISSIONER DeMARTINEZ: Yes.

15 MR. CABELLO: Margarita Gutierrez?

16 COMMISSIONER GUTIERREZ: Yes.

17 MR. CABELLO: Edwin Marinez?

18 Absent.

19 Dennis Gonzalez?

20 COMMISSIONER GONZALEZ: Here.

21 MR. CABELLO: And Dorothy Jetter?

22 COMMISSIONER JETTER: Here.

23 MR. CABELLO: Present.

24 Okay. Thank you very much.

25

1 **DIRECTOR'S REPORT:**

2 **BOARD RESOLUTION NO. 2014-05 - APPROVAL OF**

3 **COMPENSATION & BENEFITS COMPARABILITY ANALYSIS:**

4

5 MR. CABELLO: Okay, the purpose of the
6 meeting was the -- to discuss the payment of
7 Sewer Authority outstanding bill and the counsel
8 will, you know, address that.

9 But before we do, to make things faster, we
10 just completed, actually, Execu-Tech, Bill
11 Snyder --

12 You know Bill?

13 CHAIRPERSON MARTINETTI: Sure.

14 MR. CABELLO: -- completed his test; it's a
15 comprehensive comparability analysis, which it
16 was done in June, 1997, we have one.

17 HUD requires the Housing Authority to be
18 compared within the same regional areas in terms
19 of compensation, benefits, amount of units and so
20 forth.

21 So you go to here, we did a study between
22 West New York and the Union City Housing
23 Authority and he also took into consideration
24 North Bergen and Guttenberg.

25 This is on the Director's Report.

1 So like the first page is Hudson County
2 Comparability Analysis of PHAs units under
3 Management and Executive Directors.

4 You got it?

5 Okay.

6 COMMISSIONER JETTER: Do you have one?

7 MR. CABELLO: So we compare the --

8 COMMISSIONER JETTER: Marty?

9 CHAIRPERSON MARTINETTI: It's right there.

10 COMMISSIONER JETTER: No, I -- I have two
11 of these.

12 MR. CABELLO: Okay.

13 So that both Authorities were compared to
14 each other.

15 And, for example, West New York has 1,130
16 units under management. That includes public
17 housing, as well as Section 8's.

18 We have a total of 1,380, with the same
19 composition.

20 North Bergen has 1,472.

21 And Guttenberg has 449.

22 So, Bill felt that we were closer to West
23 New York in terms of the population, the type of
24 housing that it is -- like it's more buildings in
25 West New York, similar to Union City. So that's

1 | how they determined that.

2 | Now, we continue.

3 | He gave us an outline as to how he arrived
4 | and the introduction to the analysis, which is
5 | there.

6 | And we have the breakdown as to the
7 | benefits and so forth for the Directors.

8 | We also have to comply with a mandate of
9 | HUD that requires that the five highest officials
10 | and the Authorities report to this to HUD on a
11 | yearly basis. So that's there also.

12 | So we basically -- we are in compliance
13 | with the HUD requirements of doing this
14 | comparability study.

15 | Our attorney issued the letter, which is
16 | there, that he reviewed this.

17 | Julio, you want to go over the -- your
18 | letter?

19 | MR. MOREJON: Sure.

20 | I'm sorry.

21 | Well, basically, the -- you know, as
22 | Virgilio was saying, it's a comparability.
23 | They're comparing, in this instance, Executive
24 | Directors salaries compensation with Union City
25 | and this group.

1 Execu-Track (sic), they selected West New
2 York as a comparison model because we're similar
3 in numbers and structure and in population of the
4 town. And, you know, they put together some
5 results there which are attached to the report
6 for your review and really just analysis.

7 One thing that's important, it's -- to note
8 -- and I say in my first paragraph that the
9 Housing -- if the Housing Authority were to fail
10 to comply with the compensation reporting
11 requirements with HUD, you know we could be
12 subject to sanctions.

13 So what that means is we have complied that
14 because we've subjected ourselves to this
15 analysis.

16 You understand?

17 So, --

18 MR. CABELLO: So, we comply with --

19 MR. MOREJON: Right.

20 MR. CABELLO: -- HUD requirements.

21 MR. MOREJON: So had we not done this
22 analysis, we would not be in compliance. But now
23 that we did, you know, here are the results.

24 Now if I'm not mistaken, Virgilio, I think
25 the report itself doesn't suggest or make any

1 recommendation; --

2 MR. CABELLO: No, it's a comparability,
3 which --

4 MR. MOREJON: -- it's just simply showing
5 numbers.

6 MR. CABELLO: -- everybody's within the
7 same --

8 MR. MOREJON: Right.

9 MR. CABELLO: -- range --

10 MR. MOREJON: Right.

11 MR. CABELLO: -- of the --

12 MR. MOREJON: That we're not, --

13 MR. CABELLO: -- comparability.

14 MR. MOREJON: -- you know, we're not --

15 MR. CABELLO: Way off.

16 MR. MOREJON: -- way off.

17 That's basically --

18 CHAIRPERSON MARTINETTI: I'll motion to
19 accept.

20 MR. CABELLO: Motion to accept by --

21 CHAIRPERSON MARTINETTI: The analysis.
22 Marty.

23 MR. CABELLO: -- the analysis.

24 So it's not blood, right?

25 By the Chairman.

1 Second by Teresa.

2 I mean -- yeah, Teresa.

3 Roll call.

4 Chairman Martinetti?

5 CHAIRPERSON MARTINETTI: Yes.

6 MR. CABELLO: Commissioner Cornelio?

7 COMMISSIONER CORNELIO: Yes.

8 MR. CABELLO: Delsa DeMartinez?

9 COMMISSIONER DeMARTINEZ: Yes.

10 MR. CABELLO: Margarita Gutierrez?

11 COMMISSIONER GUTIERREZ: Yes.

12 MR. CABELLO: Yes.

13 Edwin Marinez; absent.

14 Dennis Gonzalez?

15 COMMISSIONER GONZALEZ: Question.

16 So the only thing we need to do is just
17 accept the report?

18 MR. CABELLO: Approve; right. And then
19 we'll submit it to HUD with a five year plan and
20 they'll review. If they have any comments,
21 they'll comment.

22 CHAIRPERSON MARTINETTI: Yeah, it's a
23 requirement for HUD.

24 MR. CABELLO: Right, it's required.

25 MR. MOREJON: It's a requirement to do the

1 analysis --

2 CHAIRPERSON MARTINETTI: Right.

3 MR. MOREJON: -- and for purposes, like
4 Virgilio said, to --

5 MR. CABELLO: Yeah.

6 For example, you might have an Authority in
7 the Midwest, which the next Housing Authority
8 might be 200 miles away. So what are they going
9 to compare, you know, everything -- they allow
10 you to use like the private sector like real
11 estate company or something. But in a case like
12 this everybody's like on top of each other; they
13 prefer like apples and apples, you know, compare
14 to the Housing a more similar structure.

15 Okay, --

16 COMMISSIONER GONZALEZ: Yes.

17 MR. CABELLO: Dennis?

18 Yes.

19 And Dorothy Jetter?

20 COMMISSIONER JETTER: Yes

21 MR. CABELLO: Okay.

22

23 **REPORT OF COUNSEL:**

24

25 MR. CABELLO: All right, the next one is

1 the --

2 We have two things; the Resolution for the
3 Approval of the Payment to the Sewer Board but we
4 have the Report of Counsel regarding to the
5 trial.

6 So I'll turn it over to Mr. Morejon.

7 MR. MOREJON: That's part of your package
8 here, Virgilio?

9 MR. CABELLO: Yes, where it says Report of
10 Counsel.

11 MR. MOREJON: Okay.

12 You know what it is, I don't -- I mean I
13 didn't bring --

14 CHAIRPERSON MARTINETTI: Bring the
15 Commission --

16 MR. CABELLO: Yeah. You didn't bring --

17 CHAIRPERSON MARTINETTI: -- the other
18 Commissioners up to speed.

19 The reason I asked for the meeting was
20 because I received a phone call for a phone vote
21 and I was --

22 MR. CABELLO: But you know why, I was
23 late; --

24 CHAIRPERSON MARTINETTI: Right.

25 MR. CABELLO: -- I'm sorry.

1 CHAIRPERSON MARTINETTI: You explained
2 that; the issue with your son and --

3 I don't know if everybody was here; Virgil
4 has -- his son had a little bit of a medical
5 emergency, so --

6 COMMISSIONER GUTIERREZ: Oh.

7 CHAIRPERSON MARTINETTI: -- that's why he
8 was -- you know, didn't inform us.

9 COMMISSIONER GUTIERREZ: Um-hum.

10 CHAIRPERSON MARTINETTI: But I was caught
11 off guard and I requested a meeting because
12 something of this magnitude --

13 MR. CABELLO: Yes.

14 CHAIRPERSON MARTINETTI: -- should --

15 MR. CABELLO: Absolutely.

16 CHAIRPERSON MARTINETTI: Three and a half
17 million dollar vote I think --

18 MR. CABELLO: Yes.

19 CHAIRPERSON MARTINETTI: -- a meeting is
20 the proper forum for it.

21 MR. CABELLO: Absolutely.

22 CHAIRPERSON MARTINETTI: So, just that's
23 why we're here today.

24 MR. MOREJON: All right, let me -- you
25 know, let me tell you what's happened.

1 You -- periodically I mention at meetings
2 that we have this on -- we had an ongoing
3 litigation with the Sewer Authority. Okay?

4 Basically, as you know, the Sewer Authority
5 charges us for sewer usage. Just like any
6 residence in the town. And the measure of -- the
7 way they charge you is based on your water
8 consumption. So whatever comes into your
9 household, based on New United water bill, they
10 then take that figure three months later and they
11 give you a quarterly bill.

12 Apparently over time --

13 Well, let me back it up.

14 There are 63 accounts. We -- you know the
15 Housing Authority maintains 63 accounts with the
16 Sewer Authority. And, you know, for the
17 properties here -- in the Housing Projects here
18 and then the individual one to two family units
19 like the Veterans Housing, the folks that were
20 here. So, overall there are 63 accounts.

21 All right.

22 What happens is over time, apparently as
23 far back as 2006, --

24 MR. CABELLO: Seven.

25 MR. MOREJON: Right. There was some

1 | disputes over billing and, you know, the disputes
2 | were water consumption. All right?

3 | Disputes are going back and forth. Bills
4 | are due the 25th of the month. Sometimes the bill
5 | may be -- wasn't paid on time because of
6 | disputes. Then they start assessing interest.
7 | They are allowed -- the Housing Authority -- I
8 | mean the Sewer Authority's allowed to assess one
9 | and a --

10 | What is it one and a half per month?

11 | MR. NATERA: Yeah.

12 | MR. CABELLO: Eighteen percent.

13 | MR. MOREJON: Which comes out to 18 percent
14 | a year. All right?

15 | So, this thing just snowballed and it
16 | became this monster. All right.

17 | A litigation was started by the Sewer
18 | Authority in January of 2013. They were suing
19 | the Housing Authority for -- the initial suit was
20 | about --

21 | MR. CABELLO: Two point nine.

22 | MR. MOREJON: -- \$2.9 million, which
23 | included sewer charges and interest. All right?

24 | We go into litigation and we have a trial
25 | -- we had a five day, six day trial. And during

1 the course of the trial and the litigation, --
2 you know and I had a conversation Mr. Martinetti
3 today -- you know we initially --

4 What was it, Ralph? Was it over 300,000 in
5 disputes?

6 MR. NATERA: Three hundred thousand.

7 MR. MOREJON: Yeah, --

8 MR. CABELLO: About three hundred.

9 MR. MOREJON: -- 300,000. Because of the
10 litigation it got chiseled away. And when I say
11 300,000 in dispute, meaning the actual bills --
12 you know what we were disputing in consumption.

13 All right. During the course of litigation
14 the Sewer Authority provided us with three
15 adjustments on three separate accounts where they
16 realized that they overbill because of water
17 consumption.

18 And then in addition to that, during the
19 litiga -- actually during the trial, we
20 discovered that back in 2011 they gave us an
21 adjustment, which we weren't even -- apparently
22 weren't even aware of because they never
23 communicated it to us and that adjustment was for
24 billing that took place in 2009.

25 Think of this. They billed us in May of

1 2009, --

2 MR. CABELLO: February.

3 MR. MOREJON: -- February of 2009 and in
4 May of 2011 they decided to give us a credit --

5 MR. CABELLO: For a hundred fifty thousand
6 dollars.

7 MR. MOREJON: -- for a hundred and fifty
8 thousand dollars.

9 And, again, --

10 CHAIRPERSON MARTINETTI: With the interest
11 credit or they kept the interest?

12 MR. MOREJON: Well, they gave us --

13 MR. CABELLO: That is it.

14 MR. MOREJON: -- interest --

15 MR. CABELLO: Yeah.

16 MR. MOREJON: You know they claimed they
17 did. When we looked at the math it was funny
18 math.

19 MR. CABELLO: Yeah, it's pretty funny.

20 MR. MOREJON: But they claim they did. So,
21 you know, what happens is with that adjustment --
22 that hundred and fifty thousand adjustment, then
23 the three adjustments that we got during the
24 course of litigation, we were able to whittle
25 down the difference to about \$80,000.00.

1 Okay?

2 So, you know, basically they became an
3 \$80,000.00 litigation because that's what we were
4 disputing.

5 But what happens? You got the big gorilla
6 in the room, right? The interest rate. This
7 interest is running and running.

8 They were -- they wanted a hundred percent
9 of the interest. We tried negotiating with them.
10 They said, no, you know, you owe us the interest.
11 During the trial they brought in their Executive
12 Director, Frank Pocci, and you know that's all he
13 talked about was the interest, was the interest.
14 Their attorney, you know, the law says, you know,
15 if you don't pay, you owe the interest.

16 So, what we did, we defended ourselves.
17 The way we did was to show these discrepancies in
18 the billing. How could we rely on what you're
19 telling us? Look, you gave us credits. Look at
20 this two and a half year charge. Rafael
21 testified; Virgilio. And even Libero Marotta.

22 MR. CABELLO: Yeah.

23 MR. MOREJON: Libero came and testified
24 that, yes, when he was here as an attorney --

25 MR. CABELLO: Your pal.

1 MR. MOREJON: -- and as a Sewer Authority
2 Commissioner that he was aware that there was a
3 discrepancy. He even testified that they have
4 other matters that are in litigation and in
5 arrears.

6 And he also testified that sometimes the
7 Sewer Authority does negotiate interest. Which
8 was important to us because Mr. Pocci said, no,
9 we don't.

10 The case rested; we then presented it to
11 the jury. All right?

12 In the jury charges we stipulated, look, we
13 know we owe money. I mean that's not -- you know
14 we're not avoiding that. We even testified that
15 we've been setting aside that money and we've
16 been setting aside \$2.6 million --

17 MR. CABELLO: And by the way I was
18 corrected by the Judge because I said that we did
19 offer them and we had a check for the amount that
20 we owe them. Said, look, let's put this in
21 escrow, give us what we want from day one, which
22 is your water consumption bills that they get.
23 Right? If we see the difference, you know, we'll
24 make up for that. They refused to accept that.
25 So, they said well you can't do that.

1 MR. MOREJON: That's right.

2 CHAIRPERSON MARTINETTI: How did it grow
3 to, --

4 MR. MOREJON: The interest.

5 MR. CABELLO: The interest.

6 CHAIRPERSON MARTINETTI: -- what is it, --

7 MR. CABELLO: Marty, just the interest.

8 CHAIRPERSON MARTINETTI: -- \$3 million?

9 MR. MOREJON: The --

10 CHAIRPERSON MARTINETTI: What was the
11 actual principal?

12 MR. NATERA: Oh, no, no, I'm sorry, I'm
13 sorry. It's not \$3 million of interest.

14 MR. CABELLO: No, no, no.

15 MR. NATERA: No, we --

16 CHAIRPERSON MARTINETTI: No. Right.

17 MR. NATERA: We --

18 CHAIRPERSON MARTINETTI: But the total
19 amount we owe.

20 MR. NATERA: -- were allocating moneys, I
21 mean being responsible about it, and we had about
22 two million point six allocated.

23 We have subsidy for that and the Veterans
24 had the reserve for it. Okay, so we have that
25 allocated through all those years. Okay?

1 CHAIRPERSON MARTINETTI: That was toward
2 the principal?

3 MR. CABELLO: Yes.

4 MR. NATERA: That's right, toward the --

5 CHAIRPERSON MARTINETTI: How did the
6 principal get so big?

7 MR. MOREJON: No.

8 MR. NATERA: Because --

9 MR. CABELLO: No.

10 MR. MOREJON: The principal -- it's like a
11 loan. Like you take out a hundred thousand
12 dollar mortgage --

13 CHAIRPERSON MARTINETTI: Right.

14 MR. MOREJON: -- you know your principal
15 you reduce every month with a payment. When you
16 go in arrears they just keep -- your interest
17 keep rising.

18 So the principal remained the same.

19 CHAIRPERSON MARTINETTI: No but he --

20 MR. CABELLO: Yeah but --

21 MR. NATERA: The principal --

22 CHAIRPERSON MARTINETTI: -- he said we had
23 that --

24 MS. DILLON: Wait. Wait.

25 MR. CABELLO: Wait. Wait. One --

1 MS. DILLON: Wait.

2 CHAIRPERSON MARTINETTI: What was the
3 actual --

4 Sorry.

5 MS. DILLON: One at a time.

6 CHAIRPERSON MARTINETTI: What was the
7 actual principal --

8 MR. MOREJON: Okay. Yeah.

9 CHAIRPERSON MARTINETTI: -- amount minus
10 the interest?

11 The actual principal that we owe?

12 MR. MOREJON: Rafael?

13 MR. NATERA: The actual -- when you said
14 principal, is what I call the actual --

15 CHAIRPERSON MARTINETTI: The bill --

16 MR. CABELLO: Consumption.

17 CHAIRPERSON MARTINETTI: -- the bill
18 amount --

19 MR. NATERA: -- the actual sewer charge.

20 CHAIRPERSON MARTINETTI: -- minus --

21 Yeah, right.

22 MR. NATERA: The actual consumption.

23 CHAIRPERSON MARTINETTI: Correct.

24 MR. MOREJON: The sewer charge.

25 CHAIRPERSON MARTINETTI: Sewer charge.

1 MR. NATERA: It is \$2.6 million.

2 Keep in mind that our yearly charges,
3 including Veterans Housing, is about half-a-
4 million dollars when you put the Veterans Housing
5 along with it.

6 Okay?

7 So, when that was -- what I call principal
8 was hundred and six -- two million point six.

9 The different between the Sewer Authority
10 charges and our charges was about \$70,000.00
11 after all the adjustment that they claim they
12 gave us. We were not aware of. Okay?

13 CHAIRPERSON MARTINETTI: Then how come we
14 held 2.6 million on them and not just the
15 difference -- the disputed amount?

16 MR. NATERA: Because if we were to make any
17 payment it was going to go into an unresolved
18 interest.

19 MR. MOREJON: Which is what happened.

20 MR. CABELLO: Let me -- this is why --

21 MR. MOREJON: You had made a payment --

22 MR. CABELLO: When the issue first arrive,
23 okay, we had the 63 accounts; there was a problem
24 in, I think, five accounts?

25 Ralph?

1 MR. NATERA: About seven.

2 MR. CABELLO: About five or seven accounts.

3 I said, look, let's pay the good accounts,
4 let's pay the full thing. The other seven,
5 contact these people, tell them that we need to
6 work on this.

7 Said, no, you got to pay it.

8 Said, look, just provide us with your water
9 -- I'm sure the water company sends them
10 something.

11 Said, no, no, we don't -- we get it
12 electronic.

13 What you get a disk, you get a tape, you
14 get something. I mean just make it out of the
15 air.

16 Oh, there's no way for us to check back.

17 Meanwhile like five years later they check
18 on some stuff.

19 Anyway, so we put the money in escrow. We
20 made another payment, it was again then charge --
21 I mean credited to the interest from the good
22 accounts. Because now they're considered one
23 account.

24 I said, wait a minute, you tell me we have
25 63 accounts; all of a sudden it becomes the

1 Housing Authority, one account, one entity?

2 I mean that's like if you have like two
3 credit cards for the company -- a store. You buy
4 your shirt --

5 I know you buy nice shirts.

6 So, you buy a shirt for 50 bucks. At the
7 end of the month you get a bill for a hundred
8 dollars, right? You call the company and say,
9 listen, company, I spent 50 bucks, I got a
10 receipt here.

11 Say, no, no, it's a hundred dollars you got
12 to pay it, or otherwise the interest.

13 Now you paid your regular payment on the
14 good account and they take that money and they
15 credit it to the other one to cover the interest.

16 This is exactly what they're doing there.

17 MR. MOREJON: It was --

18 CHAIRPERSON MARTINETTI: And you --

19 Sorry.

20 You had written correspondence
21 requesting all the amounts and --

22 MR. CABELLO: We've been requesting and
23 talking. HUD got involved from day one. Because
24 we informed them about the issue; said keep us
25 abreast of this.

1 So the concern was are you -- because they
2 provide us with these moneys, right, for the
3 utilities, so are you escrowing these funds?

4 Yes, we have it there. I mean there was no
5 issue with it.

6 But now look at the intention these people
7 had. They knew we had an issue with them. They
8 definitely knew we were right because all -- the
9 two credits they gave us.

10 Back in November when we met with them,
11 they gave us three credits out of the air. First
12 of all they say unless the consumers informs that
13 there is an adjustment from the water -- they
14 can't do anything about it because the system is
15 rigged that way.

16 It was loan sharking really, basically.

17 All right?

18 Now they gave us close to \$90,000.00 on
19 three adjustments. I said where did this come
20 from because we never ask you to give us this.
21 You know his answer was, Pocci, I don't want to
22 go back to the past.

23 And Rafael goes, well, the past is what got
24 us here. Where do you get this; he couldn't
25 answer that.

1 All right?

2 So at that meeting we said please provide
3 us with the water thing so we could resolve this
4 issue. They didn't do it.

5 Then a week before the trial they give us
6 another hundred fifty thousand dollar credit,
7 which is the one that was in November to be
8 credited two years later. They made the
9 adjustment in the year 2011. You knew we had a
10 dispute with them. They knew that, right? If
11 you find something why didn't you say, look,
12 here's the adjustment. Because even on the
13 billings they never sent it.

14 So I think that when this thing came about
15 they just decided to give whatever credits they
16 do there.

17 CHAIRPERSON MARTINETTI: Because when you
18 called me and I heard about this I almost fell
19 off my chair because --

20 MR. CABELLO: No, how do you think we felt?

21 CHAIRPERSON MARTINETTI: We knew that there
22 was a discrepancy --

23 MR. CABELLO: Right.

24 CHAIRPERSON MARTINETTI: -- because --

25 COMMISSIONER GUTIERREZ: Yeah, yeah.

1 CHAIRPERSON MARTINETTI: -- we asked Libero
2 or he -- he actually volunteered or whatever to
3 go talk to them and get back to the management
4 back then.

5 MR. CABELLO: Right.

6 CHAIRPERSON MARTINETTI: But I was under
7 the assumption it was around 80,000 or something
8 from previous discussions.

9 MR. CABELLO: Well, --

10 CHAIRPERSON MARTINETTI: When I heard
11 millions --

12 MR. CABELLO: Yeah, well --

13 CHAIRPERSON MARTINETTI: -- I was shocked.

14 MR. CABELLO: -- the 80,000 --

15 CHAIRPERSON MARTINETTI: Because I --

16 MR. CABELLO: -- came after --

17 I'm sorry.

18 CHAIRPERSON MARTINETTI: I'm sorry.

19 I was shocked because it was the first time
20 -- and I've been on this Board for more than ten
21 years -- it was the first time that I heard that
22 kind of number.

23 You know, we weren't kept up to -- we
24 weren't kept up to speed on that.

25 MR. CABELLO: Yeah, well we had a -- one of

1 | the meetings there we mentioned was 2.9 they
2 | wanted and we want at 2.6. So, you know, it was
3 | mentioned the dollar amount.

4 | CHAIRPERSON MARTINETTI: There was -- yeah,
5 | I don't recall that.

6 | MR. CABELLO: But you see the issue wasn't
7 | the money. That wasn't a concern. Because we
8 | had the money for the consumption. Not the --
9 | the concern was the interest they just kept
10 | billing. And every time we made a payment it
11 | went to the credit. So it's like we end up in
12 | the same place.

13 | MR. MOREJON: Yeah. Well, that's what
14 | happened. When was the last payment that you
15 | made, 2011?

16 | MR. CABELLO: Two thousand --

17 | MR. MOREJON: Yeah.

18 | MR. CABELLO: Yeah, 2012?

19 | MR. MOREJON: You paid about \$200,000.00.

20 | MR. CABELLO: Yeah, we made a \$200,000.00
21 | payment of -- in 2012 and it was credit
22 | completely to the interest --

23 | MR. MOREJON: So that's --

24 | MR. CABELLO: -- on all the accounts.

25 | MR. MOREJON: That's when it was decided,

1 | you know, to stop giving them the money because
2 | it wasn't going to resolve anything, they were
3 | just going to apply it to the interest.

4 | MR. CABELLO: Yeah, we get milked, like
5 | loan sharking, you pay it all at once or, you
6 | know, you get --

7 | MR. MOREJON: You know we went to
8 | arbitration back in November of 2013 and, you
9 | know, the arbitrator basically -- I mean he was
10 | of no help. He just -- he said, okay, what --
11 | Sewer Authority, what do you claim?

12 | MR. CABELLO: Yeah, half.

13 | MR. MOREJON: Housing Authority, what do
14 | you --

15 | Okay, split in half. But that wasn't any
16 | good --

17 | MR. CABELLO: They didn't want to go --

18 | MR. MOREJON: -- because they weren't going
19 | to accept it and we weren't going to accept it.

20 | CHAIRPERSON MARTINETTI: And what else? On
21 | the hook for their attorney fees?

22 | MR. MOREJON: Yeah. You know that's --

23 | MR. CABELLO: Yeah, it's 14,000.

24 | MR. MOREJON: -- part of the --

25 | CHAIRPERSON MARTINETTI: Fourteen?

1 MR. CABELLO: Fourteen, yeah.

2 MR. MOREJON: So what happened was, look, I
3 mean I just -- I know, you know, I just want you
4 to conceptualize this, you know, because it's --
5 you know, make believe you're on the jury now.
6 Okay?

7 We have to pay the sewer. We -- the
8 Housing Authority was setting aside its money. I
9 mean they know, based on prior billing, what that
10 amount was. So that was secure. You know, the
11 sewer charges were always secure. We
12 communicated that to the jury, to the Judge; it
13 was there.

14 The critical thing was this interest. And,
15 you know, when I -- when the trial started I went
16 with a check for 2.55 or something.

17 MR. CABELLO: Yeah, whatever it was.

18 MR. MOREJON: And I said, look, let's try
19 to settle this. I'll -- we'll pay you this
20 money, --

21 MR. CABELLO: As long as it goes to the
22 principal.

23 MR. MOREJON: -- reduce our principal and
24 then we can work on the interest.

25 MR. CABELLO: And you know what they said?

1 MR. MOREJON: They said no.

2 MR. CABELLO: All to the interest.

3 MR. MOREJON: They said, no, you pay our
4 interest first.

5 So I said so you're more concerned -- you
6 just want your interest, don't you?

7 And then I said, you don't -- I told the
8 guy, I told the attorney, you know, you don't
9 give me any ability to negotiate because if at
10 least you take this money, reduce our principal,
11 we're still going to have a balance --

12 COMMISSIONER GUTIERREZ: Um-hum.

13 MR. MOREJON: -- on the interest, --

14 COMMISSIONER DeMARTINEZ: Yeah.

15 MR. MOREJON: -- let's negotiate the
16 interest.

17 No. You reduce your interest and then --

18 And so at that point I said -- I said to
19 Virgilio, I said, Virgilio, we have to try this
20 case.

21 MR. NATERA: Well, I would like to inform
22 the Board as well that our accounts, especially
23 the five -- the buildings that we have is not
24 like your home bills, okay that you get 200 --
25 3300 worth of sewer charges.

1 Every single charge that we have --
2 quarterly it's about \$70,000.00. Okay? Seventy
3 thousand dollars just on sewer charges.

4 And in the past when we had a dispute we
5 were talking about hundred -- at least a hundred
6 and thirty-seven thousand dollars.

7 Okay. It took forever to correct that. I
8 don't know if we -- if I got the proper credit.
9 Okay? But I'm going back to 1999 when Cesar
10 Fernandez was part of the Board over there.

11 MR. MOREJON: That's true.

12 MR. NATERA: And I have the letters for
13 that. And I have the communications that I had
14 with some of the collection agent -- officers
15 over there and we never got any response back.

16 Okay. In trial the last -- as I was
17 fighting for some dispute back in 2008, I found
18 -- I got a bill and I call everybody in this
19 office, because in one quarter, one account, was
20 a hundred and eighty-one thousand dollars.

21 COMMISSIONER GONZALEZ: What?

22 MR. NATERA: One account.

23 MR. CABELLO: One meter in other words.

24 MR. NATERA: Okay?

25 That's just one meter. Okay.

1 MR. CABELLO: That's what I'm telling you.

2 MR. NATERA: A hundred and eighty-one
3 thousand dollars, okay, when the previous bill
4 was about 9,000. Okay?

5 And right there I called Virgil, I call the
6 CFO that was here at the time. I said look at
7 this. I said that's it. We can't -- we can't
8 deal with these people.

9 I called him. I told him exactly --

10 And on top of that the current charges were
11 281,000. Because according to them there was
12 penalty for an extra hundred thousand dollars. I
13 don't know where because the current charges were
14 181,000. So where the hell did the hundred
15 thousand come from? This is current charges.

16 The one and a half percent should not be
17 applied to it. Instead we're getting a hundred
18 thousand dollars with the interest and penalties
19 on the same bill.

20 Okay, so right away -- I couldn't even
21 report that to HUD because I knew it wasn't
22 right. So we were fighting for -- that was in
23 2009.

24 Although we sent them before the trial --
25 okay.

1 CHAIRPERSON MARTINETTI: Right. I remember
2 you bringing the discrepancy up.

3 MR. NATERA: You see what I'm saying?

4 MR. MOREJON: But that's the -- that's the
5 hundred --

6 MR. NATERA: Imagine --

7 CHAIRPERSON MARTINETTI: Right.

8 MR. MOREJON: -- and fifty thousand dollar
9 credit.

10 MR. NATERA: Imagine --

11 MR. CABELLO: Probably that started --

12 MR. NATERA: That started of the whole
13 thing.

14 Imagine 300,000 -- \$281,000.00 generating
15 18 percent a year since 1909 (sic) -- I mean
16 since 2009. Okay, just think of that.

17 MR. MOREJON: One thing I forgot to
18 mention, which you know came out in the trial and
19 I told Marty this afternoon, the Sewer Authority,
20 as recently as last year, has a over \$40 million
21 surplus.

22 MR. CABELLO: Yeah, reserve of 40 --

23 MR. MOREJON: Think about that.

24 MR. CABELLO: -- million bucks.

25 MR. NATERA: This is a non-profit entity.

1 MR. MOREJON: You know and it came out in
2 the trial that when they -- when I had Pocci on
3 the stand I said how do you calculate your sewer
4 charges.

5 Well, you know, we base it on what our
6 expenses are for the year. Everything. You
7 know, they're non-profit. Like a municipality
8 basis their expenses; they got salaries, they got
9 equipment, --

10 MR. CABELLO: Like here.

11 MR. MOREJON: -- they got capital. And
12 they come out with a budget.

13 MR. CABELLO: We don't make money here.

14 MR. MOREJON: Right?

15 So they come up with their budget --

16 MR. CABELLO: I want to be Tony.

17 MR. MOREJON: -- but since they're charging
18 you this interest -- \$40 million. I mean our
19 State budget now they can't get a budget together
20 because we're short.

21 MR. NATERA: I'm sorry to interrupt you but
22 this has been growing. Okay? Because I had the
23 report -- the audit, I have it in my hands, and I
24 was considered an expert for that.

25 But I looked at it, okay, and I said how

1 the hell did this non-profit agency could have
2 sitting in the bank -- to do anything, just
3 sitting there \$42 million?

4 In 2011 they have 25 million just sitting
5 there.

6 And let me tell you once you end up what
7 the State now calls for the audit, you are
8 unrestricted position. That's talking about caps
9 and your money. That is cash. Whatever --
10 doesn't have to do with your buildings, doesn't
11 have to do with -- it's cash.

12 Okay, in 2011 they have 25 million; 2012,
13 35 -- or 31. Okay? In 2013, \$42 million.

14 MR. CABELLO: Now, they --

15 MR. NATERA: Who the hell is making that
16 kind of money, huh?

17 MR. CABELLO: Besides our entity here,
18 there on the same report it shows that there's \$7
19 million outstanding that they have. Not only
20 from individual consumers but from entities; this
21 could be cities, boards of education.

22 For the trial Julio ask Mr. Marotta and
23 their attorney for a copy of those entities; they
24 refuse to provide it to us. They say, oh, you
25 got to OPRA that.

1 I mean, come on man, you know we're not
2 like Joe Blow down the corner. I mean just give
3 us the thing to see who's what and where we are
4 with this.

5 MR. MOREJON: Yeah, apparently there are
6 other institutions -- I think he mentioned
7 Hoboken Board of Education where, you know,
8 people, other -- that they're fighting these
9 things and --

10 MR. CABELLO: Yeah.

11 MR. NATERA: Hoboken has a situation, too.

12 MR. MOREJON: You know and they're getting
13 hit with these interest, I mean --

14 MR. CABELLO: Yeah and the attorney who was
15 trying to be clever with the jury but that didn't
16 fly too much because they kept saying, well, they
17 don't have the money to pay.

18 And prior to that, you know, --

19 CHAIRPERSON MARTINETTI: Have you
20 reached --

21 MR. CABELLO: -- the two of us had stated
22 the money's in escrow, it's given by HUD. The
23 money's there, we've just got to pay the right
24 amount, not what are you thinking.

25 CHAIRPERSON MARTINETTI: Have you reached

1 out to Hoboken Housing Authority? Their
2 Executive Director? See if they're having these
3 kind of billing issues?

4 MR. CABELLO: No, I haven't spoken --

5 MR. MOREJON: Yeah, I haven't spoken --

6 MR. CABELLO: -- with him, no.

7 CHAIRPERSON MARTINETTI: Just out of
8 curiosity, I wonder?

9 MR. CABELLO: Well, I'll speak with --

10 CHAIRPERSON MARTINETTI: Carmelo. Right?

11 MR. MOREJON: So then --

12 MR. CABELLO: When he's not in Trenton --

13 CHAIRPERSON MARTINETTI: Right.

14 MR. CABELLO: -- he might be here.

15 MR. MOREJON: You know so then when --

16 MR. CABELLO: Or with the chickies.

17 MR. MOREJON: -- when the trial now -- you

18 know we get to the end of the trial and it
19 submits to the jury, they submitted that they
20 were owed about what 2.7 in principal?

21 I mean they're --

22 MR. NATERA: Two point six -- six
23 something.

24 MR. MOREJON: Yeah we were off --

25 MR. CABELLO: Oh, yeah.

1 MR. MOREJON: You know when we say
2 principal we mean sewer charges. We were now in
3 discrepancy about \$80,000.00. And they -- their
4 total submission to the jury with principal and
5 interest was almost \$4.1 million.

6 MR. CABELLO: Yeah, 4.1 million.

7 MR. MOREJON: Right.

8 And, you know, we said we don't owe any
9 interest and this is the principal that we owe.
10 I think we came in and we stipulated it was like
11 2.6.

12 MR. CABELLO: Two point six, yeah.

13 MR. MOREJON: All right, the jury gets the
14 case, they come back with a total award of 3.4?

15 MR. CABELLO: Yeah but before that they
16 asked for a calculator --

17 MR. MOREJON: Yeah.

18 MR. NATERA: Yes.

19 MR. CABELLO: -- to figure out. Because
20 when --

21 I mean the Judge -- the Judge was very
22 specific as to the law they read. He said don't
23 be emotional. You know, because he could see
24 where the thing was going in our favor. I said,
25 look, the law is very clear, you have to pay

1 interest.

2 So their interest consists of 50 percent of
3 the outstanding balance. Right? So, --

4 Yeah, this is how outrageous that was. So
5 when the jury gets the case, asks for the
6 calculator, they came up instead of 50, they're
7 allowing 30 percent. And they were not too happy
8 about it either down there.

9 CHAIRPERSON MARTINETTI: And they collected
10 interest on fictitious charges for lack of a
11 better word.

12 MR. CABELLO: Oh, yeah, absolutely.

13 CHAIRPERSON MARTINETTI: And the --

14 MR. CABELLO: Because we had all this --

15 CHAIRPERSON MARTINETTI: And jury --

16 MR. CABELLO: Look, --

17 CHAIRPERSON MARTINETTI: -- sided with them
18 on that part of it also on those --

19 MR. CABELLO: Well, I guess it was at
20 the --

21 MR. MOREJON: Well, we --

22 MR. CABELLO: -- whole thing and --

23 MR. MOREJON: Well, we had stipulated that,
24 you know, at -- the Judge asked us, well what do
25 you -- because we said, look, we owe. The Judge

1 | said, well what do you owe?

2 | So we figured, okay, well we had about
3 | \$2.61 million set aside in our escrow, so we
4 | figured that's what we owe.

5 | MR. CABELLO: Based on real numbers.

6 | MR. MOREJON: Based on real numbers, yeah.

7 | MR. CABELLO: I mean based on real numbers.

8 | MR. MOREJON: I mean so -- and they came in
9 | at about \$80,000.00 more. So that was it.

10 | So now what the jury had to decide was,
11 | okay, if you believe the Sewer -- the Housing
12 | Authority does, in fact, owe that money, do you
13 | now believe that they should pay all the
14 | interest?

15 | Well, obviously, they came back no because
16 | if they had come back yes we'd be looking at a
17 | bill of almost 4.1 million.

18 | MR. CABELLO: Right.

19 | MR. MOREJON: So, you know, Rafael's
20 | testimony, Virgilio, Libero, the defense that we
21 | presented, you know, there was something that --

22 | MR. CABELLO: Validity.

23 | MR. MOREJON: -- that -- right, viability
24 | that they realized, look, this a mess. Okay,
25 | they should have paid this. You know,

1 | unfortunately they didn't give us a breakdown
2 | because --

3 | I mean to be honest what happened was the
4 | fire alarm went off for the second time --

5 | MR. CABELLO: Twice.

6 | MR. MOREJON: -- in that day --

7 | MR. NATERA: Twice.

8 | MR. MOREJON: -- and the Judge just
9 | dismissed them. So we had no chance to
10 | individually ask the jury. And I think they
11 | wanted to tell us but they were dismissed and, --

12 | MR. CABELLO: Yeah.

13 | MR. MOREJON: -- that was it, it was over.

14 | COMMISSIONER GONZALEZ: Was --

15 | MR. MOREJON: We had two fire drills that
16 | day.

17 | COMMISSIONER GONZALEZ: Was the jury trial
18 | optional?

19 | Could we have gone --

20 | MR. MOREJON: Yes. I -- we could have --
21 | they wanted to go with the Judge --

22 | MR. NATERA: Um-hum.

23 | MR. MOREJON: -- and I told Virgilio,
24 | Virgilio, I'm afraid if we put this case to a
25 | judge the Judge is just going to slam dunk us.

1 | Because a judge is going to look at the law and
2 | the law says you can collect your interest. And,
3 | you know, the emotional part, the human -- you
4 | know the human side part --

5 | Because they were fight--

6 | I mean they initially put it on as a jury
7 | trial; then they wanted to withdraw it. And I
8 | told Virgilio, I said, look, I know jury trial --
9 | will be quicker, probably get it done in a day or
10 | two because it's before the Judge but my concern
11 | -- and I've had this happen, you know you get a
12 | judge, he's just going to look at things in black
13 | and white. And, you know, there was a whole
14 | story to this which was about this whole ability
15 | -- you know, about they run their business. And,
16 | you know, obviously --

17 | Look, the law is the law. I mean it says,
18 | you don't pay -- you know, if you don't pay your
19 | bill, --

20 | There's nothing in the law that provides
21 | for a dispute.

22 | MR. CABELLO: Right.

23 | MR. MOREJON: There's nothing in the law
24 | that says if you believe --

25 | MR. CABELLO: Well that should be

1 legislated when it's a legitimate thing.

2 MR. MOREJON: Yeah, there's nothing --

3 MR. CABELLO: So maybe our legislator --
4 you know?

5 MR. MOREJON: There's nothing in the law
6 that says, you know, if --

7 MR. CABELLO: Our State legislator for the
8 district, you know, could do something.

9 MR. MOREJON: -- if your bill's in dispute,
10 you know, --

11 CHAIRPERSON MARTINETTI: I'll talk to
12 Carmelo.

13 MR. MOREJON: -- your interest is on hold.
14 Nothing. It's just running.

15 MR. CABELLO: No, Carmelo's a lightweight.

16 MR. MOREJON: I mean I --

17 MR. CABELLO: You got to talk to the
18 Senator.

19 CHAIRPERSON MARTINETTI: See what they're
20 doing down there.

21 MR. MOREJON: I --

22 MR. CABELLO: Yeah, I know, allow him
23 speaking --

24 MR. MOREJON: -- told the jury, this is
25 like being stuck in a cab in New York, right,

1 | you're stuck in traffic, that meter's running.

2 | COMMISSIONER GONZALEZ: Yeah.

3 | MR. NATERA: The best thing we can --

4 | MR. CABELLO: It's like loan sharking us.

5 | MR. NATERA: -- was that, okay, get a jury
6 | trial. Okay. Because they didn't have -- I
7 | don't know if the law direct on that I don't know
8 | if the law, has any morality when it gets put
9 | together. Okay? But the jury realized, okay,
10 | that there were lack of any reasoning or logic
11 | behind the billing. These people admitted in
12 | court that, yes, they double-bill.

13 | MR. CABELLO: Double-billing, man.

14 | MR. NATERA: They admitted that their
15 | system, okay, will double bill in any situation.

16 | MR. CABELLO: Happening to everybody, man.

17 | MR. NATERA: They admitted in court, under
18 | oath, okay, that they didn't care about the
19 | credits. That was not their responsibility.
20 | They were not responsible to provide any credit.
21 | The was the responsibility of the consumer.
22 | Okay?

23 | They didn't -- they kept insisting of
24 | saying that they didn't have access to the
25 | adjustments of the Housing -- of the water

1 | company except the charges.

2 | The only thing that they could look at is
3 | the consumption in which they base their charges.

4 | MR. CABELLO: And yet they gave us those
5 | sewer adjustments --

6 | MR. NATERA: I don't know why.

7 | MR. CABELLO: -- in November and then in
8 | June.

9 | Where do they get it from?

10 | CHAIRPERSON MARTINETTI: I have a quick
11 | question.

12 | COMMISSIONER GUTIERREZ: So they don't have
13 | no control about that.

14 | MR. CABELLO: Obviously, they --

15 | COMMISSIONER GUTIERREZ: They just -- they
16 | just charge it and that's it.

17 | COMMISSIONER DeMARTINEZ: And they charge.

18 | CHAIRPERSON MARTINETTI: And I asked Julio
19 | earlier on the phone, did we receive a verdict
20 | sheet -- a jury verdict sheet with the breakdown
21 | of how --

22 | MR. CABELLO: No, all we have is --

23 | CHAIRPERSON MARTINETTI: -- they came about
24 | their amounts?

25 | MR. CABELLO: -- is in the resolution.

1 That package that I gave a resolution.

2 CHAIRPERSON MARTINETTI: Right.

3 MR. CABELLO: That's all we have.

4 CHAIRPERSON MARTINETTI: Yeah I seen that.

5 MR. MOREJON: That's all we got.

6 CHAIRPERSON MARTINETTI: So because -- so
7 we weren't provided with a jury verdict sheet,
8 which would have gave you an opportunity to
9 object. Because the smoke alarms went off, we
10 got dismissed before you could basically
11 finalize. So is that an appealable item now?

12 Because we were never provided with --
13 when --

14 MR. MOREJON: Well, I mean --

15 CHAIRPERSON MARTINETTI: When the jury
16 hands down a verdict, they're suppose to give you
17 a breakdown sheet listing the amounts --

18 MR. CABELLO: So much for this, so much for
19 that.

20 CHAIRPERSON MARTINETTI: Right.

21 And you have an opportunity, if they don't,
22 it's an appealable issue because you could object
23 to that. I've dealt with that in the past
24 through --

25 MR. CABELLO: Okay.

1 CHAIRPERSON MARTINETTI: -- through work.

2 MR. CABELLO: But I don't -- is that a case
3 all the time? Because I thought maybe the Judge
4 just gave them the one thing though.

5 CHAIRPERSON MARTINETTI: As far as I know,
6 you're supposed to receive a sheet whenever
7 there's a judgment handed down.

8 COMMISSIONER GONZALEZ: Civil. In civil.

9 MR. MOREJON: Well, you --

10 CHAIRPERSON MARTINETTI: Correct.

11 MR. CABELLO: Because all he read --

12 COMMISSIONER GONZALEZ: In civil court.

13 CHAIRPERSON MARTINETTI: Which this is.
14 This is a civil matter.

15 COMMISSIONER GONZALEZ: Yeah.

16 MR. CABELLO: Yeah.

17 So all we got was what I -- I gave you
18 that. This is what we receive the next day.

19 CHAIRPERSON MARTINETTI: Right. So the
20 question to Julio -- to counsel is are we -- what
21 do you feel is our chances on -- if we appeal
22 this matter?

23 MR. MOREJON: Well, what would we be
24 appealing? The jury's --

25 CHAIRPERSON MARTINETTI: For

1 reconsideration --

2 MR. MOREJON: -- the breakdown?

3 CHAIRPERSON MARTINETTI: -- on the
4 interest. Especially since you never had the
5 opportunity; you were dismissed early because of
6 smoke detectors and never had --

7 COMMISSIONER GUTIERREZ: Um-hum.

8 CHAIRPERSON MARTINETTI: -- the opportunity
9 to properly object to not receiving the jury
10 verdict --

11 MR. MOREJON: I mean, look, because of the
12 amount --

13 CHAIRPERSON MARTINETTI: -- a jury verdict
14 sheet.

15 I'm sorry.

16 MR. MOREJON: -- because of the amount --

17 No, I'm sorry.

18 I mean it's definitely something that I'll
19 -- I mean I'll consider, obviously, anything that
20 can help us.

21 COMMISSIONER GONZALEZ: Is this appealable
22 to federal -- the federal court?

23 MR. MOREJON: Well, it's a State court
24 issue. So, it would be -- you know, --

25 COMMISSIONER GONZALEZ: But if we're

1 talking about federal funds, would that entitle
2 us to seek recourse at the federal level?

3 But -- and, by the way, speaking of which,
4 so we had the 2.6 in escrow?

5 MR. CABELLO: Oh, yeah, money's there.

6 COMMISSIONER GONZALEZ: Do we have the --

7 MR. CABELLO: Yeah, we have reserves for
8 that.

9 MR. NATERA: Reserve.

10 COMMISSIONER GONZALEZ: We have that.

11 MR. CABELLO: Yeah, we're fine with the
12 money, --

13 COMMISSIONER GUTIERREZ: I just say --

14 MR. CABELLO: -- it's just the point.

15 Now, Marty, going back to your thing. When
16 the jury returned the verdict, they only -- I was
17 expecting, you know, like a breakdown from --

18 CHAIRPERSON MARTINETTI: They're supposed
19 to.

20 MR. CABELLO: All they read is one figure,
21 which it was this here.

22 CHAIRPERSON MARTINETTI: No, they're --

23 MR. CABELLO: Unless the Judge has it
24 separately.

25 CHAIRPERSON MARTINETTI: They're supposed

1 to supply you with a breakdown how they came
2 about that figure. You know.

3 For instance, in an accident case, it would
4 be pain and suffering, X amount; --

5 MR. CABELLO: Yeah, too much --

6 CHAIRPERSON MARTINETTI: -- loss of
7 wages, --

8 MR. CABELLO: -- for this; --

9 CHAIRPERSON MARTINETTI: Correct.

10 MR. CABELLO: -- interest so much.

11 CHAIRPERSON MARTINETTI: Correct.

12 MR. NATERA: But we didn't hear that --

13 CHAIRPERSON MARTINETTI: And if you didn't
14 --

15 MR. NATERA: -- in the instructions that
16 the Judge gave --

17 MR. CABELLO: No.

18 MR. NATERA: -- the jury.

19 CHAIRPERSON MARTINETTI: They were -- well,
20 they're supposed to hand that down. Otherwise
21 how do you know, you know, --

22 MR. CABELLO: Which is which? Yeah.

23 CHAIRPERSON MARTINETTI: -- which is which?

24 COMMISSIONER GUTIERREZ: You pay the -- you
25 have to pay the right amount.

1 CHAIRPERSON MARTINETTI: You at that time,
2 you know, you could object to --

3 MR. CABELLO: I tell -- as soon as they
4 read the number the alarms went off and I think
5 the Judge want to get the hell out of there.

6 CHAIRPERSON MARTINETTI: Right. So that
7 should come into play --

8 COMMISSIONER GUTIERREZ: Maybe it was the
9 Judge?

10 CHAIRPERSON MARTINETTI: That should come
11 into play and be explained at the Appellate
12 Division. Or, like Dennis said, maybe make a
13 motion --

14 MR. CABELLO: Okay.

15 CHAIRPERSON MARTINETTI: -- and move this
16 to federal court.

17 MR. CABELLO: Do you -- so what is it the
18 Board wants to do with this?

19 You want to appeal that or have Julio check
20 with the Judge?

21 CHAIRPERSON MARTINETTI: I -- and this, you
22 know, Julio's the attorney, we have to pay that
23 amount. Because otherwise you're going to keep
24 accumulating more interest.

25 MR. CABELLO: Well that was my point with

1 the interest.

2 MR. NATERA: Yeah.

3 MR. MOREJON: That's the other thing. That
4 I did --

5 CHAIRPERSON MARTINETTI: Or we could go
6 after the fact, --

7 MR. CABELLO: After. Okay.

8 CHAIRPERSON MARTINETTI: -- appeal it.
9 Say, well, look, --

10 MR. CABELLO: Because --

11 CHAIRPERSON MARTINETTI: -- we paid the
12 amount. Regardless, we're not getting charged
13 more interest, we have a zero balance, but we're
14 appealing this matter --

15 MR. CABELLO: Okay, I got you.

16 CHAIRPERSON MARTINETTI: -- and then maybe
17 they would --

18 MR. CABELLO: I like that idea.

19 CHAIRPERSON MARTINETTI: -- have to issue a
20 check --

21 MR. CABELLO: I like that better.

22 MR. NATERA: Yeah.

23 CHAIRPERSON MARTINETTI: -- a check in
24 return.

25 MR. MOREJON: Yeah.

1 MR. CABELLO: Yeah, I like that.

2 MR. NATERA: I already did the memo.

3 MR. MOREJON: I did --

4 MS. DILLON: Wait. Wait.

5 MR. NATERA: I'm sorry.

6 MS. DILLON: Please.

7 MR. MOREJON: I did -- one thing was I did,
8 I don't want to say negotiate but we did clear it
9 out with the Sewer Authority that once this
10 money's paid, that we're going to have zero
11 balance. Because they were -- after the jury
12 verdict, you know I had conversations with their
13 lawyer and he was like, well, you know, once you
14 pay this there's still balances that are --
15 interests are running.

16 I said no, Frank.

17 COMMISSIONER GUTIERREZ: Um-um.

18 MR. MOREJON: Once we pay this we're at
19 zero.

20 COMMISSIONER GUTIERREZ: Still?

21 COMMISSIONER DeMARTINEZ: Zero.

22 MR. MOREJON: I said -- and I told him, if
23 you don't agree to that then that's fine, then
24 I'm going to go back to the Judge and I'm going
25 to ask for the Judge to rule on it --

1 CHAIRPERSON MARTINETTI: Right. I read
2 that.

3 MR. MOREJON: -- because, you know.

4 So, he came back --

5 MR. CABELLO: Yeah.

6 MR. MOREJON: -- and he said, no, fine. If
7 you pay this and the attorney's fees, we'll make
8 it zero.

9 And then when's the next quarter due?

10 MR. CABELLO: August. No?

11 MR. NATERA: Well, we have about two weeks.

12 COMMISSIONER GUTIERREZ: Yeah but
13 everything have to be in writing because --

14 MR. CABELLO: To pay -- we have two
15 weeks to make a payment.

16 MR. NATERA: Because it's not the next
17 quarter. It's the next 25 days after the bill.

18 MR. CABELLO: Right.

19 CHAIRPERSON MARTINETTI: But we have --
20 what is it, 45 days to appeal.

21 Correct? After --

22 MR. MOREJON: Forty-five days --

23 CHAIRPERSON MARTINETTI: -- after --

24 MR. MOREJON: -- from when an order's
25 issued. And it -- and an order hasn't been

1 issued yet.

2 CHAIRPERSON MARTINETTI: Right. So, we pay
3 the amount, so we don't accumulate more interest.

4 COMMISSIONER GUTIERREZ: Um-hum.

5 CHAIRPERSON MARTINETTI: We appeal it; we
6 have nothing to lose.

7 Right?

8 MR. CABELLO: Okay.

9 CHAIRPERSON MARINETTI: They're not going
10 to increase it, the Appellate Division.

11 MR. CABELLO: No, they can't.

12 COMMISSIONER GUTIERREZ: Because it's
13 already --

14 MR. CABELLO: It's already here, yeah.

15 CHAIRPERSON MARTINETTI: Yeah, but I would
16 go for reconsideration and maybe move it to
17 federal court like Dennis stated.

18 MR. CABELLO: Yeah, I don't see --

19 COMMISSIONER GONZALEZ: How about --

20 MR. CABELLO: -- a problem with that.

21 COMMISSIONER GONZALEZ: How about if we pay
22 -- we comply with the order; the case is closed.
23 And then we sue them in federal court?

24 Because -- and my problem is, I mean if we
25 were Trump, this is not a, you know, pay the \$4

1 million. But this is a public housing agency.
2 We're talking about taxpayer money. We're
3 talking about -- that one point whatever in
4 interest is money that we're taking away from our
5 residents.

6 MR. CABELLO: Seven hundred thousand
7 dollars.

8 COMMISSIONER GUTIERREZ: Yeah. Yeah.

9 COMMISSIONER GONZALEZ: Seven hundred
10 thousand is money that we're taking away from our
11 residents.

12 MR. CABELLO: Yeah, I know.

13 COMMISSIONER GONZALEZ: You know, I mean
14 this --

15 MR. CABELLO: That was the argument.

16 COMMISSIONER GONZALEZ: -- there's a bigger
17 issue here.

18 COMMISSIONER GUTIERREZ: Yeah.

19 COMMISSIONER GONZALEZ: There's a bigger
20 issue here which is that a fellow government
21 agency, public entity, is abusing us, is abusing
22 the system and taking advantage of not our money,
23 not private money but taxpayer money.

24 COMMISSIONER GUTIERREZ: The taxpayer.

25 MR. CABELLO: Yeah, but I made that -- I

1 made that point at the -- when I testified.

2 CHAIRPERSON MARTINETTI: And that -- that
3 will have a negative -- direct negative impact on
4 the residents, that lack of funding.

5 COMMISSIONER GUTIERREZ: Exactly.

6 MR. CABELLO: Yeah.

7 COMMISSIONER GONZALEZ: And if we win the
8 lawsuit at the federal level, then the State
9 would then be required to change the law so that
10 -- you know so that this doesn't happen again.

11 COMMISSIONER GUTIERREZ: They have to do
12 something with interest --

13 MR. CABELLO: I think that if --

14 COMMISSIONER GUTIERREZ: -- they charge it.

15 MR. CABELLO: -- when it's a legitimate
16 dispute, whether it's an individual or company,
17 they should freeze the interest.

18 Yeah, they're entitled to the interest but
19 the concern --

20 Oh, this is what they say, well, what
21 incentive people to have to pay the sewer bills.
22 He goes -- Mr. Pocci testified -- he goes they're
23 such good-hearted guys; they didn't shut down the
24 sewer or the water.

25 I said first of all there's no main valve

1 to shut down a sewer. So he lie under the
2 testimony.

3 Two, the water company would not allow them
4 to shut the water because we pay our water bill.
5 So, --

6 CHAIRPERSON MARTINETTI: They would be
7 ordered to turn that on in 30 seconds. There's
8 so many life safety issues involved. In fire
9 systems, --

10 MR. CABELLO: That's what I'm saying.

11 CHAIRPERSON MARTINETTI: -- people on
12 dialysis.

13 MR. CABELLO: Marty, --

14 CHAIRPERSON MARTINETTI: All kinds of
15 things.

16 MR. CABELLO: -- I'm telling you, you can't
17 -- you know, that's what I'm saying.

18 COMMISSIONER GUTIERREZ: They can't do
19 that.

20 CHAIRPERSON MARTINETTI: There's all kinds
21 of --

22 MR. CABELLO: So by the guy -- this is to
23 the point that they got, you know, oh, we're like
24 nice guys, they don't want to pay.

25 I said, no, this is the issue here -- the

1 | dispute.

2 | MR. NATERA: I should mention that in
3 | reference to the federal money, right, HUD will
4 | not get involved. HUD already provide us with
5 | the utility allowance. So those \$2.7 million
6 | that we have sitting there is going to be used
7 | for that.

8 | The difference was generated through three
9 | years, all right, and after 2011, the reserve
10 | that we have was no longer federal, it was no
11 | longer federalized money. Therefore, that is
12 | money that we could just tap into it and --

13 | MR. CABELLO: Right, and pay.

14 | MR. NATERA: HUD already said, okay, you
15 | are on your own when it comes to the --

16 | MR. CABELLO: The interest, yeah.

17 | CHAIRPERSON MARTINETTI: Right, but that --

18 | COMMISSIONER GUTIERREZ: The \$80,000.00,
19 | right? The eighty?

20 | MR. CABELLO: No, for the interest.

21 | CHAIRPERSON MARTINETTI: No, that 700,000.

22 | COMMISSIONER DeMARTINEZ: Seven hundred.

23 | COMMISSIONER GUTIERREZ: Oh, the interest
24 | was seven hundred.

25 | CHAIRPERSON MARTINETTI: But that 700,000

1 | could be used --

2 | MR. CABELLO: Oh, for anything.

3 | CHAIRPERSON MARTINETTI: -- to better
4 | the --

5 | MR. CABELLO: Yeah.

6 | CHAIRPERSON MARTINETTI: -- quality of life
7 | for all the --

8 | COMMISSIONER GUTIERREZ: So many things.

9 | MR. CABELLO: But why do you think --

10 | COMMISSIONER GONZALEZ: Oh, yeah.

11 | CHAIRPERSON MARTINETTI: -- residents.

12 | MR. CABELLO: -- we were building these
13 | reserves? For that reason.

14 | CHAIRPERSON MARTINETTI: Yeah.

15 | MR. CABELLO: You know when HUD begins to
16 | cut down on a --

17 | See, we have the modernization, we have all
18 | the subsidies. When they begin to cut down on
19 | things, that's when we tap that money to fill in
20 | the gaps.

21 | CHAIRPERSON MARTINETTI: I would
22 | definitely --

23 | Sorry.

24 | MR. CABELLO: No, go ahead.

25 | CHAIRPERSON MARTINETTI: Counsel, bring up

1 as part of your appeal that you were never
2 supplied a jury verdict sheet. The Authority was
3 never properly given the breakdown of the amounts
4 and how they came about it and use that as just
5 part of the package of the appeal.

6 The other thing, this is -- and I asked
7 Julio this on the phone. This is nothing the
8 insurance company would be involved with?

9 Were they even contacted though?

10 Because --

11 MR. MOREJON: There's --

12 MR. CABELLO: I can contact them but --

13 MR. MOREJON: No, there's nothing.

14 Our insurance --

15 CHAIRPERSON MARTINETTI: I would just -- it
16 wouldn't hurt to reach out to them --

17 MR. MOREJON: You can --

18 CHAIRPERSON MARTINETTI: -- because
19 sometimes on the city level the insurance
20 companies cover things we would never imagine
21 they would cover.

22 MR. CABELLO: All right, we'll speak --

23 MR. MOREJON: I mean we --

24 MR. CABELLO: I'll have Jose contact
25 them --

1 MR. MOREJON: Yeah.

2 MR. CABELLO: -- and find out.

3 MR. MOREJON: We could do that but our
4 insurance covers us for liability, errors and
5 omissions.

6 MR. CABELLO: Right.

7 MR. MOREJON: This is -- you know this is a
8 debt. You know it was a collection case
9 actually.

10 CHAIRPERSON MARTINETTI: But they're saying
11 it was an error in our end.

12 MR. CABELLO: Right, that's what they're
13 saying.

14 CHAIRPERSON MARTINETTI: Yeah, so, maybe --

15 MR. CABELLO: So, no, I'll --

16 CHAIRPERSON MARTINETTI: -- there might be
17 a coverage factor in that.

18 MR. CABELLO: Good point, I'll talk to the
19 insurance, you know.

20

21 **BOARD RESOLUTION NO. 2014-04 - TO APPROVE PAYMENT**

22 **TO NORTH HUDSON SEWER AUTHORITY:**

23

24 MR. CABELLO: Okay, so now we're going to
25 vote on paying the thing, right? Resolution

1 2014-04, the payment of the \$3 million.

2 CHAIRPERSON MARTINETTI: Yeah, I have a
3 couple more things about it to say.

4 Are there any other liabilities we face
5 with --

6 MR. CABELLO: No.

7 CHAIRPERSON MARTINETTI: -- any other
8 entities out there?

9 MR. NATERA: No.

10 MR. CABELLO: No, man. This is the first
11 and only time we ever had a problem.

12 CHAIRPERSON MARTINETTI: Public Service?

13 MR. NATERA: Everybody was asked --

14 CHAIRPERSON MARTINETTI: Fuel companies?

15 MR. NATERA: -- if we were ever sued
16 before.

17 We have issues with the -- with PSE&G. You
18 know, 200,000 -- \$240,000.00 was the dispute.
19 That was taken care of.

20 MR. CABELLO: Yeah, we resolve things.

21 MR. NATERA: And we had a hundred thousand
22 dollar dispute with the United Water. That was
23 taken care of.

24 MR. CABELLO: That was before you came
25 onboard.

1 MR. NATERA: I mean we never went so far
2 with this institution. Okay?

3 I just want to mention that I was
4 forecasting the how to recoup all that money.
5 Okay. We believe that probably in about two and
6 a half three years we could be able to --

7 MR. CABELLO: Back up again on the
8 reserves.

9 MR. NATERA: -- you know, replace -- I mean
10 get that money back into the -- into our
11 reserves.

12 I think I wanted to say something else.

13 Basically, we prove our case in court. We
14 really put up a fight and we prove that they were
15 wrong. We did. But -- they admitted everything
16 that we accuse them of, --

17 MR. CABELLO: But --

18 MR. NATERA: -- defending of. But yet, the
19 only thing that that lawyer had in his hand was
20 the law. They didn't care about the 2.7 million
21 that we owed them. They didn't care about that.
22 They never mentioned that.

23 As a matter of fact I believe he mentioned
24 it once --

25 MR. CABELLO: Yeah.

1 MR. NATERA: -- at the end.

2 CHAIRPERSON MARTINETTI: But if the law is
3 flawed, like Dennis stated, the federal level
4 would clear that up.

5 MR. CABELLO: That law is totally flawed,
6 man. Totally flawed.

7 MR. NATERA: Yeah.

8 MR. CABELLO: You have a legitimate dispute
9 that they, by providing these credits, which we
10 never knew existed -- because according to them
11 the client, the customer has to inform them --
12 they're given to us like a day before the trial,
13 two hundred and forty and the whole dispute was
14 like 300,000 from the beginning?

15 So that means you knew -- you knew we were
16 right but you want to start building the interest
17 until you maximized this.

18 Now, Mr. Marotta serve here until December
19 of '12. And we got hit with this suit on January
20 13.

21 MR. NATERA: Coincidence?

22 MR. CABELLO: I'm not saying anything. I'm
23 just saying that maybe while he was here they
24 didn't want to, you know, come down with the axe
25 or something.

1 Who knows what it was, so.

2 But the point is that the jury saw really
3 what went on because -- we didn't get away but we
4 didn't have to pay \$600,000.00. They voted
5 \$600,000.00 in our favor.

6 But the Judge, again, read the law like
7 twice. I was, okay, we got, you know, the
8 interest has to be paid, it's nothing that --

9 CHAIRPERSON MARTINETTI: But it's really
10 not in our favor if that money was -- wasn't
11 spent. It was held in an account, --

12 MR. CABELLO: In escrow, yes.

13 CHAIRPERSON MARTINETTI: -- specific for
14 that payment.

15 MR. CABELLO: Absolutely.

16 CHAIRPERSON MARTINETTI: And because of
17 their --

18 MR. CABELLO: System.

19 CHAIRPERSON MARTINETTI: -- billing
20 practices and, you know, fictitious bills and
21 everything else that have -- or double bills that
22 have come up, it wasn't paid to them.

23 It's not like we took the money, used it
24 for something else --

25 MR. CABELLO: Yeah.

1 CHAIRPERSON MARTINETTI: -- and just --

2 MR. CABELLO: No, no, no.

3 CHAIRPERSON MARTINETTI: -- refused to pay.

4 MR. CABELLO: That's what --

5 CHAIRPERSON MARTINETTI: We were willing to
6 pay --

7 MR. CABELLO: Yes.

8 Now, Marty, what I asked these guys --
9 explain something to me, we have 63 accounts, you
10 have a problem with the one, you're going to take
11 money to -- we agree these accounts are okay and
12 you take money from there and pay it here; no
13 it's one account.

14 To me that's another thing that's pretty
15 flawed there because if you're behind on one
16 account, it's just that one particular account.

17 CHAIRPERSON MARTINETTI: And you get 63
18 sewer bills?

19 MR. CABELLO: Yes.

20 MR. NATERA: Yes.

21 MR. CABELLO: Yeah.

22 CHAIRPERSON MARTINETTI: That's crazy.

23 MR. CABELLO: That's what I'm saying, --

24 CHAIRPERSON MARTINETTI: That's definitely
25 something that should be explained to a judge at

1 a --

2 MR. MORIN: Separate meters.

3 CHAIRPERSON MARTINETTI: -- higher level.

4 COMMISSIONER GUTIERREZ: Yeah.

5 MR. CABELLO: I'm telling you, we got --
6 this is what I mean. Marty, it's not that we get
7 one lump sum, that we get a bill for, you know,
8 one, two, three, four, -- whatever, right.

9 And then we pay. Okay, this is okay, pay.
10 We compare the bills.

11 This guy has a lot of work with that, I
12 gotta say this. I don't know how he handles it.

13 But you put in there -- okay, this is
14 wrong, let's put it on the side. Got this five
15 we can't pay, we got a problem. We pay for this,
16 boom, now everybody falls.

17 COMMISSIONER GONZALEZ: You know what we
18 have here is a public entity -- not a private
19 company --

20 MR. CABELLO: No. Public.

21 COMMISSIONER GONZALEZ: -- but a public
22 entity who is taking advantage of a flaw in the
23 law to milk the taxpayers. That's basically what
24 it is.

25 MR. CABELLO: Yeah.

1 COMMISSIONER GONZALEZ: And they can't --
2 they shouldn't be allowed to get away with this.

3 You know I mean we -- and --

4 MR. CABELLO: That's what I said.

5 COMMISSIONER GONZALEZ: -- if it takes us
6 to step -- to be the lead on this and then other
7 agencies, you know maybe Hoboken --

8 MR. CABELLO: Maybe a class action suit?

9 COMMISSIONER GONZALEZ: -- and other people
10 can come --

11 A class action suit, a federal --

12 MR. CABELLO: How about --

13 COMMISSIONER GONZALEZ: -- at the federal
14 level.

15 MR. CABELLO: How about if you get the
16 OPRA, Julio?

17 MR. MORIN: And find --

18 MR. CABELLO: Right?

19 MR. MORIN: -- out who they are.

20 MR. CABELLO: And then we find --

21 CHAIRPERSON MARTINETTI: That's why I
22 said --

23 MR. CABELLO: I mean we talk to them.

24 CHAIRPERSON MARTINETTI: -- reach out to
25 other Housing Authorities; Hoboken.

1 MR. CABELLO: Yeah.

2 CHAIRPERSON MARTINETTI: Whoever else is
3 covered on there.

4 MR. CABELLO: Well, no, those \$7 million
5 that are out there from -- because Marotta said
6 that's strictly public entities. And he used the
7 word public entities, which --

8 CHAIRPERSON MARTINETTI: I would reach out
9 to each one of them individually and see --

10 MR. CABELLO: Yeah.

11 CHAIRPERSON MARTINETTI: -- if they'd like
12 to accompany us.

13 MR. CABELLO: Yeah, we're going to do that.

14 COMMISSIONER GONZALEZ: And, on top of
15 that, we're talking about public -- if it was a
16 public agency that's struggling, that's barely,
17 you know, -- they have \$40 million surplus.

18 MR. CABELLO: Yes.

19 COMMISSIONER GONZALEZ: They're sitting on
20 \$40 million and on top of that they want from us,
21 from our residents, \$700,000.00?

22 MR. CABELLO: Well, they want have \$42
23 million there then. That's the deal.

24 COMMISSIONER GONZALEZ: I mean this is --
25 this is ridiculous.

1 Now, counsel, so if we were to appeal what
2 are our chances of succeeding?

3 MR. MOREJON: Oh, that's a hard -- it's
4 hard to say now. I mean, you know, we'd have to
5 -- I mean what -- we'd have to appeal the
6 application of this law.

7 We might be better off, you know, paying
8 this judgment and then -- because going forward
9 we're going to have to pay --

10 MR. CABELLO: Yeah, that's what he said.

11 MR. MOREJON: -- sewer charges again.

12 CHAIRPERSON MARTINETTI: Right.

13 MR. MOREJON: You know we might be better
14 off paying this now and then going forward suing
15 the Authority, you know and whoever else, you
16 know, because -- might even have to sue the
17 State.

18 COMMISSIONER GONZALEZ: And that's
19 another --

20 MR. MOREJON: You know?

21 COMMISSIONER GONZALEZ: -- thing, what's
22 the stop them --

23 MR. MOREJON: Because the Board of Public
24 Utilities, they're the ones that approve the --
25 you know, --

1 MR. CABELLO: Well, by the way --

2 MR. MOREJON: -- these things.

3 MR. CABELLO: -- they don't --

4 MR. NATERA: They don't fall --

5 MR. CABELLO: -- they don't fall in the
6 Public Board of Utilities.

7 MR. MOREJON: No?

8 MR. NATERA: No.

9 CHAIRPERSON MARTINETTI: No. Nobody
10 regulating them.

11 MR. CABELLO: It's like a total -- you
12 know, like the Talibans out there.

13 MR. NATERA: Nobody policing.

14 MR. CABELLO: Nobody policing.

15 CHAIRPERSON MARTINETTI: Autonomous.

16 MR. MOREJON: That's exactly --

17 MR. NATERA: Organization.

18 CHAIRPERSON MARTINETTI: Non-regulated.

19 MR. MOREJON: You know that's -- that's
20 -- you know I didn't know that, Virgilio.

21 MR. CABELLO: Yeah.

22 MR. MOREJON: I didn't know that.

23 Because I thought, you know, how did they
24 get away with this if they're regulated?

25 But now you're telling me they don't even

1 have the Board of Public --

2 MR. CABELLO: For example, --

3 CHAIRPERSON MARTINETTI: They're --

4 MR. MOREJON: So, nobody -- nobody polices
5 them?

6 CHAIRPERSON MARTINETTI: -- regulated by
7 their Board.

8 MR. CABELLO: By -- yeah, exactly.

9 MR. NATERA: Yeah.

10 MR. CABELLO: Well, let me give you an
11 example to reinforce that.

12 For example, let's say the water
13 consumption for a thousand gallons is \$2.00,
14 right?

15 Now they come to us oh, \$3.00 to \$8.00.
16 That's it. So you got a \$6.00 gap there,
17 difference, but how do you -- how do you figure
18 that?

19 Well that goes to the 40 million reserves
20 that they have.

21 COMMISSIONER GUTIERREZ: And you have to
22 pay for it.

23 COMMISSIONER DeMARTINEZ: Yeah.

24 MR. CABELLO: Yeah, exactly. Yeah.

25 MR. NATERA: I picked up the clean water

1 and the dirty water, okay, as of the date of the
2 trial. For 1,000 gallons of clean water you pay
3 \$2.30. For 1,000 gallons of sewer water you pay
4 \$8.43.

5 MR. CABELLO: Oh, I was close.

6 COMMISSIONER GUTIERREZ: Wow.

7 CHAIRPERSON MARTINETTI: It used to be two
8 to one; --

9 MR. CABELLO: Yeah.

10 CHAIRPERSON MARTINETTI: -- now it's four
11 to one.

12 MR. CABELLO: Look at that.

13 MR. NATERA: Yeah, I mean it's right there.

14 MR. MOREJON: And you know it's water
15 consumption. And, remember, sewer is -- you know
16 waste water that has to be treated, right?
17 Filtered. But that water consumption could be if
18 you're washing your car, if you leave your water
19 running.

20 MR. CABELLO: Or you had a leak.

21 MR. MOREJON: You know, --

22 MR. CABELLO: Twelve hundred bucks.

23 MR. MOREJON: -- it could be --

24 CHAIRPERSON MARTINETTI: Twelve hundred
25 dollars.

1 MR. MOREJON: -- water that you're
2 consuming that doesn't have to be processed
3 because it's just going right through.

4 CHAIRPERSON MARTINETTI: I got a better one
5 for you.

6 They charge on fire lines for sprinkler
7 systems from what I hear. I don't personally
8 have one.

9 Maybe you want to check that because you
10 do. They charge consumption on those lines. You
11 don't consumption unless the --

12 MR. CABELLO: Really?

13 CHAIRPERSON MARTINETTI: -- when the heads
14 go off.

15 MR. NATERA: Yeah.

16 MR. CABELLO: Right, right, right.

17 CHAIRPERSON MARTINETTI: So you might want
18 to use that as one of your exhibits --

19 MR. CABELLO: Okay.

20 CHAIRPERSON MARTINETTI: -- in a lawsuit.

21 MR. CABELLO: Yeah.

22 CHAIRPERSON MARTINETTI: If that is the
23 fact; just double check your bill on that.

24 MR. CABELLO: Yeah. Okay.

25 CHAIRPERSON MARTINETTI: Because you know

1 | you have a separate meter for the water --
2 | separate water service for the fire line. That's
3 | probably why you have 63 bills.

4 | MR. CABELLO: No, we have actually 63
5 | actual, you know, units.

6 | MR. NATERA: Just like I got --

7 | COMMISSIONER GUTIERREZ: Units. Okay,
8 | okay.

9 | MR. NATERA: -- 63 water bills --

10 | CHAIRPERSON MARTINETTI: But check the fire
11 | lines.

12 | MR. CABELLO: Yeah, we're going to check
13 | that. Yeah.

14 | MR. NATERA: I get 63 water --

15 | MR. CABELLO: All right.

16 | MR. NATERA: -- bills from the Sewer --

17 | COMMISSIONER GONZALEZ: And --

18 | MR. CABELLO: So, let me --

19 | COMMISSIONER GONZALEZ: And Julio alluded
20 | to something a little while ago that what's to
21 | stop them from doing this in the future?

22 | A year from now they can come back and say,
23 | well, you know, you --

24 | MR. CABELLO: Well, this is how --

25 | COMMISSIONER GUTIERREZ: No but they have

1 to have the proof.

2 MR. CABELLO: -- this is how I think we
3 should address this if the Board agrees with
4 this, okay?

5 CHAIRPERSON MARTINETTI: Yeah we need some
6 safeguards --

7 COMMISSIONER GUTIERREZ: Yeah.

8 CHAIRPERSON MARTINETTI: -- put in place.

9 MR. CABELLO: Yeah, --

10 COMMISSIONER GUTIERREZ: Exactly.

11 MR. CABELLO: -- let me -- let me address
12 this.

13 We're going to continue doing what we're
14 doing, which is monitoring like we've been --

15 That's how we caught this stuff; otherwise,
16 forget it.

17 If there is an issue, okay, in order not to
18 fall behind into this, --

19 And, Julio, you're going to be a very
20 active guy. I can tell you that.

21 -- we'll pay the bill for whatever amount
22 they say.

23 Now we're going to send a certified letter
24 with the copies of the water bill, the
25 consumption; look, this is the mistake, you told

1 us to bring it to your attention, we bring it to
2 your attention. We'll attach it, we'll send it
3 to them.

4 The next quarter cycle or the next billing,
5 the next quarter, if there is not a credit for
6 that discrepancy then immediately we're going to
7 go after them.

8 CHAIRPERSON MARTINETTI: Absolutely.

9 MR. CABELLO: That's, you know, the way to
10 do it I would suggest, unless there's something
11 else.

12 CHAIRPERSON MARTINETTI: Well, I also would
13 like to appeal that 700,000. I mean it's not
14 going to hurt.

15 MR. CABELLO: Yeah, the interest.

16 CHAIRPERSON MARTINETTI: How much does it
17 cost to file an appeal? A couple hundred
18 dollars?

19 MR. MOREJON: Yeah, it's a notice of
20 appeal.

21 MR. CABELLO: Yeah.

22 CHAIRPERSON MARTINETTI: You know and
23 maybe --

24 MR. CABELLO: And then we go to the --

25 CHAIRPERSON MARTINETTI: -- try to remand

1 | it to a --

2 | MR. CABELLO: To a higher court.

3 | CHAIRPERSON MARTINETTI: -- you know bring
4 | it up to a higher court.

5 | MR. CABELLO: Yeah.

6 | MR. NATERA: Just so you know how --
7 | another thing is like if the water company gives
8 | you an adjustment on the month of October, okay,
9 | you will not see the overbilling from the Sewer
10 | Authority -- not until February 1st. That's the
11 | way it is.

12 | Okay? So how do you put the two together
13 | four or five months later to deal with a credit
14 | that you get from one institution, again an
15 | overcharge from the other but in five months?

16 | COMMISSIONER GUTIERREZ: Um-hum.

17 | CHAIRPERSON MARTINETTI: Right.

18 | MR. NATERA: Okay? That's the way they do
19 | it.

20 | CHAIRPERSON MARTINETTI: Now, here's
21 | another thing.

22 | Say their bill is due before the Board
23 | meets to vote pay of all bills?

24 | MR. MOREJON: Um-hum.

25 | CHAIRPERSON MARTINETTI: I don't want them

1 to start tacking on interest because we haven't
2 had a meeting yet.

3 MR. CABELLO: No, no, we'll pay -- because
4 that's routine payments.

5 CHAIRPERSON MARTINETTI: Right. Just make
6 sure that gets --

7 MR. CABELLO: When Mark Nelson --

8 CHAIRPERSON MARTINETTI: Yeah.

9 MR. CABELLO: -- when Mark Nelson was here,
10 -- and Julio could say said that they're routine
11 bills, like the electric, sewer, --

12 CHAIRPERSON MARTINETTI: Right.

13 MR. CABELLO: -- water, you know you could
14 pay that without having to meet.

15 CHAIRPERSON MARTINETTI: Correct.

16 MR. CABELLO: Because that's -- the other
17 bills --

18 CHAIRPERSON MARTINETTI: I just want to
19 make sure that --

20 MR. CABELLO: -- are like special
21 payments, --

22 CHAIRPERSON MARTINETTI: -- there's no
23 delay --

24 MR. CABELLO: -- you know.

25 CHAIRPERSON MARTINETTI: -- and they tack

1 on 18 percent interest again.

2 MR. CABELLO: Right.

3 Yeah, like I said the Section 8 payments,
4 you know that's routine things because it's
5 there, you know?

6 Okay, if we could have a vote then on the
7 2014-04 to -- the concession is we pay this bill
8 and then the attorney's going to appeal.

9 CHAIRPERSON MARTINETTI: File an appeal.

10 MR. CABELLO: Okay.

11 CHAIRPERSON MARTINETTI: Absolutely.

12 COMMISSIONER GONZALEZ: So, I'm sorry,
13 we're paying the full amount?

14 MR. CABELLO: Yes.

15 COMMISSIONER GONZALEZ: Now, if we appeal,
16 do they have the option of not accepting the --

17 Because if I read your letter correctly --

18 MR. MOREJON: Yeah.

19 COMMISSIONER GONZALEZ: -- it says that
20 you're offering them, --

21 MR. MOREJON: Yeah, we're not --

22 COMMISSIONER GONZALEZ: -- in lieu of --

23 MR. MOREJON: -- appealing. Yeah.

24 COMMISSIONER GONZALEZ: Yeah.

25 MR. MOREJON: That's true. We had had the

1 discussion.

2 COMMISSIONER GONZALEZ: So, yeah, so we run
3 the risk, if we appeal, that they're going to
4 say, no, we don't want the --

5 MR. MORIN: This is part of the agreement.

6 COMMISSIONER GONZALEZ: This is part of the
7 agreement.

8 MR. MOREJON: Right, because they --

9 CHAIRPERSON MARTINETTI: But what's the --

10 MR. MOREJON: -- you know --

11 MR. MORIN: The same thing, we start at
12 zero --

13 CHAIRPERSON MARTINETTI: But the --

14 MR. MORIN: -- but this is part of the
15 agreement.

16 MR. CABELLO: No, but --

17 CHAIRPERSON MARTINETTI: No, no, no.

18 MR. CABELLO: -- this is different.

19 CHAIRPERSON MARTINETTI: Yeah. No, --

20 MR. CABELLO: No, no, no, --

21 CHAIRPERSON MARTINETTI: -- the agreement
22 is --

23 MR. CABELLO: -- we're not appealing --

24 CHAIRPERSON MARTINETTI: -- that they're
25 not going to charge us additional interest --

1 MR. MOREJON: Right.

2 CHAIRPERSON MARTINETTI: -- before -- from
3 the time the Board meets from last week's
4 decision.

5 COMMISSIONER GUTIERREZ: Exactly.

6 MR. CABELLO: Yeah.

7 CHAIRPERSON MARTINETTI: So you're talking
8 a week of interest. I would risk it.

9 MR. NATERA: No but the appealing part of
10 it was also part of that agreement. Now that --

11 CHAIRPERSON MARTINETTI: Well, it wasn't an
12 agreement; it was a verdict by a jury.

13 The agreement was that we're not -- if we
14 don't appeal they're not going to tack on another
15 week's interest.

16 MR. MOREJON: Right.

17 MR. CABELLO: Right.

18 CHAIRPERSON MARTINETTI: That was the
19 agreement.

20 MR. CABELLO: That's what it was, right?

21 MR. MOREJON: Right.

22 CHAIRPERSON MARTINETTI: Yeah, that's the
23 way I read it.

24 MR. CABELLO: Oh, so that's different than,
25 you know, not appealing.

1 MR. MOREJON: Well, the --

2 CHAIRPERSON MARTINETTI: Right.

3 MR. MOREJON: -- thing is if we didn't --
4 if we didn't -- that they would take this money
5 and close out the balance, --

6 CHAIRPERSON MARTINETTI: Zero sum.

7 MR. MOREJON: -- clean slate, zero sum --

8 CHAIRPERSON MARTINETTI: Right.

9 MR. MOREJON: -- if we weren't filing an
10 appeal.

11 CHAIRPERSON MARTINETTI: But --

12 MR. MOREJON: If we are, then they're going
13 to take -- then they're going to want their money
14 and then they're going to start --

15 CHAIRPERSON MARTINETTI: They would want
16 another week's interest. A week.

17 MR. MOREJON: Well maybe more.

18 MR. NATERA: No, maybe --

19 CHAIRPERSON MARTINETTI: Well the verdict
20 was last Monday, right?

21 MR. CABELLO: Wednesday.

22 CHAIRPERSON MARTINETTI: Wednesday?

23 MR. CABELLO: Wednesday or Thursday, yeah,
24 last week.

25 CHAIRPERSON MARTINETTI: All right, --

1 COMMISSIONER GUTIERREZ: So less than a
2 week.

3 CHAIRPERSON MARTINETTI: -- so you're --

4 MR. MOREJON: Yeah, the 18th of June.

5 CHAIRPERSON MARTINETTI: You're talking
6 less than a week. Write the check tomorrow.

7 COMMISSIONER GUTIERREZ: Less than a week.

8 CHAIRPERSON MARTINETTI: Send it out to
9 them. And if they want to -- we'll pay them for
10 a day's interest and then appeal it. It's worth
11 it.

12 COMMISSIONER GONZALEZ: Yeah but it may
13 take it a while for it to go through the
14 Appellate --

15 CHAIRPERSON MARTINETTI: No but I'm
16 saying --

17 COMMISSIONER GONZALEZ: -- process.

18 CHAIRPERSON MARTINETTI: -- we'll pay them
19 that extra four or five days. It's worth the --

20 MR. MORIN: But it's not four, five
21 days, --

22 CHAIRPERSON MARTINETTI: -- chance to get
23 seven hundred --

24 MR. MORIN: -- you got to pay the whole
25 amount until you appeal.

1 MR. CABELLO: No, no, no, no.

2 CHAIRPERSON MARTINETTI: No, no, no, no.

3 MR. MORIN: No?

4 COMMISSIONER GUTIERREZ: No, no.

5 CHAIRPERSON MARTINETTI: No.

6 MR. CABELLO: No, Waldo.

7 CHAIRPERSON MARTINETTI: No, you pay the
8 whole --

9 MR. CABELLO: We pay this amount -- we pay
10 this amount, which is the verdict. We say we're
11 not going to appeal. So for the time -- the
12 payment and this, --

13 COMMISSIONER GUTIERREZ: Exactly.

14 MR. CABELLO: -- like you said we got to
15 pay the additional interest on that.

16 CHAIRPERSON MARTINETTI: Right. Four --

17 MR. NATERA: Before --

18 CHAIRPERSON MARTINETTI: -- you're talking
19 three -- what? What is it, four days?

20 MR. CABELLO: It was Wednesday, right?

21 CHAIRPERSON MARTINETTI: Wednesday,
22 Thursday, Friday.

23 MR. CABELLO: Today's what? Monday?

24 CHAIRPERSON MARTINETTI: Monday.

25 COMMISSIONER GUTIERREZ: Today's Monday.

1 COMMISSIONER DeMARTINEZ: Monday, 30th.

2 CHAIRPERSON MARTINETTI: Three business
3 days?

4 MR. CABELLO: No, today's Tuesday.

5 COMMISSIONER GUTIERREZ: No, today's
6 Monday.

7 COMMISSIONER DeMARTINEZ: Today's Monday.

8 MR. MORIN: Monday.

9 MR. CABELLO: I'm sorry, --

10 CHAIRPERSON MARTINETTI: Today's Monday.

11 MR. CABELLO: -- I got a concussion in my
12 brain.

13 CHAIRPERSON MARTINETTI: Yeah, me too.

14 And so you're talking three business days
15 worth of interest.

16 MR. CABELLO: Yeah.

17 CHAIRPERSON MARTINETTI: Give them a check
18 for it.

19 MR. CABELLO: Five days; Saturday and
20 Sundays, too.

21 CHAIRPERSON MARTINETTI: It's worth it to
22 try to recoup, you know, possibly \$700,000.00.

23 MR. CABELLO: Yeah.

24 COMMISSIONER DeMARTINEZ: Yeah.

25 COMMISSIONER GONZALEZ: Now we -- but --

1 MR. NATERA: No but --

2 COMMISSIONER GONZALEZ: -- could we also
3 have -- might we also run into a situation where
4 the Appellate Division might say -- actually you
5 were, --

6 MR. MOREJON: Yeah.

7 COMMISSIONER GONZALEZ: -- you know, the
8 jury should have awarded --

9 MR. MOREJON: Right.

10 COMMISSIONER GONZALEZ: -- 50 --

11 MR. MOREJON: Right.

12 COMMISSIONER GONZALEZ: -- the 50 percent,
13 which is what --

14 MR. MOREJON: Right.

15 COMMISSIONER GONZALEZ: -- the law permits.

16 CHAIRPERSON MARTINETTI: It --

17 COMMISSIONER DeMARTINEZ: Um-hum.

18 MR. MOREJON: Yeah.

19 COMMISSIONER GONZALEZ: So we might end up
20 losing.

21 CHAIRPERSON MARTINETTI: But it's very --

22 COMMISSIONER GONZALEZ: It probably won't
23 happen --

24 CHAIRPERSON MARTINETTI: -- extremely
25 rare --

1 COMMISSIONER GONZALEZ: -- but it's a risk.

2 It's --

3 CHAIRPERSON MARTINETTI: -- that they'll

4 overturn --

5 MR. CABELLO: The jury.

6 CHAIRPERSON MARTINETTI: -- the actual

7 jury.

8 Right.

9 But they will reduce amounts.

10 MR. MOREJON: I mean the -- I can't tell

11 you no because the possibility always exists.

12 CHAIRPERSON MARTINETTI: Well, you're

13 the --

14 MR. MOREJON: Is it rare? Yes.

15 CHAIRPERSON MARTINETTI: -- attorney, we're

16 --

17 MR. MOREJON: Yeah, I know.

18 CHAIRPERSON MARTINETTI: -- asking, you

19 know, for your professional legal opinion on

20 this. That's --

21 I'm not an attorney.

22 MR. MOREJON: I understand.

23 CHAIRPERSON MARTINETTI: None of us here

24 are.

25 MR. MOREJON: Well, I'm just letting you

1 know --

2 CHAIRPERSON MARTINETTI: But these are just
3 past experiences that I've dealt with because I
4 deal with a lot of attorneys.

5 MR. MOREJON: Right.

6 MR. CABELLO: I could see that.

7 CHAIRPERSON MARTINETTI: Yeah.

8 MR. CABELLO: Right, with the --

9 CHAIRPERSON MARTINETTI: I deal with
10 attorneys, you know, every day, --

11 COMMISSIONER GONZALEZ: I'm --

12 CHAIRPERSON MARTINETTI: -- five times a
13 day.

14 COMMISSIONER GONZALEZ: I'm inclined to
15 think that we have better recourse at the federal
16 level.

17 MR. CABELLO: I would think so.

18 COMMISSIONER GONZALEZ: So I would -- I
19 think maybe what we should do is forget about the
20 New Jersey law, New Jersey level, pay it, get the
21 case closed and then sue them.

22 COMMISSIONER DeMARTINEZ: Sue them.

23 COMMISSIONER GONZALEZ: Sue them for the
24 \$40 million they have at the federal --

25 MR. NATERA: I like that idea.

1 COMMISSIONER GONZALEZ: -- at the federal
2 level.

3 COMMISSIONER DeMARTINEZ: I like this one.

4 CHAIRPERSON MARTINETTI: I agree with
5 Dennis.

6 MR. CABELLO: Yeah, with a class action
7 suit, --

8 COMMISSIONER GUTIERREZ: What do you think,
9 Mr. Morejon?

10 MR. CABELLO: -- with all the other public
11 entities.

12 MR. MOREJON: Well, I -- look, I mean an
13 appeal -- when you appeal something, you're
14 appealing -- you know you can appeal that the
15 jury made a mistake. But, you know, we made it
16 pretty easy for the jury in terms of like what
17 they had to decide.

18 I mean we stipulated, we agreed that we
19 owed \$2.6 million. So, right there from 3.4, 2.6
20 is for principal, is for usage.

21 So what they did is they ruled on how much
22 interest and they didn't rule, you know, --

23 CHAIRPERSON MARTINETTI: Right.

24 MR. MOREJON: -- you know, that it was a
25 hundred percent.

1 CHAIRPERSON MARTINETTI: I have a --

2 COMMISSIONER GUTIERREZ: Yeah, but --

3 CHAIRPERSON MARTINETTI: To touch on
4 something Dennis just said, -- he put a light
5 bulb off here.

6 Never mind the interest, sue them for their
7 billing practices.

8 MR. MOREJON: Well, that's --

9 COMMISSIONER GUTIERREZ: For this whole
10 thing.

11 MR. MOREJON: Hold on a minute. Hold a
12 minute. Hold on.

13 I'm just -- that's not a bad idea going
14 forward.

15 MR. CABELLO: That's --

16 MR. MOREJON: Okay?

17 MR. CABELLO: The other --

18 MR. MOREJON: What I'm trying to explain --

19 MR. CABELLO: Yeah, I guess --

20 MR. MOREJON: Hold on a second.

21 Just for this case, --

22 CHAIRPERSON MARTINETTI: And then you could
23 piggyback the interest later on.

24 MR. MOREJON: Yeah. Just for this case, I
25 mean Dennis raises a good point, let's -- we can

1 close this out and then, you know, build our case
2 for the future.

3 You're right, a billing practice, --

4 COMMISSIONER GUTIERREZ: Yeah.

5 MR. MOREJON: But then again you know we're
6 also going to make sure, you know, we pay our --
7 we pay everything and --

8 CHAIRPERSON MARTINETTI: Right.

9 MR. MOREJON: But there's --

10 Right, their billing practice --

11 MR. CABELLO: But we always pay, man.

12 MR. MOREJON: -- is defective.

13 MR. CABELLO: We always pay bills.

14 CHAIRPERSON MARTINETTI: Let's sue them for
15 their billing practices.

16 MR. MOREJON: You know, your system is
17 defective.

18 MR. CABELLO: Yeah, the system.

19 COMMISSIONER GONZALEZ: Agreed.

20 MR. CABELLO: The system is totally
21 corrupt.

22 CHAIRPERSON MARTINETTI: That's it.

23 MR. MOREJON: You could --

24 CHAIRPERSON MARTINETTI: Let's force them
25 to change it in court --

1 MR. MOREJON: You could always --

2 CHAIRPERSON MARTINETTI: -- and then you
3 could sue for monetary damages --

4 MR. MOREJON: Or --

5 CHAIRPERSON MARTINETTI: -- later on.

6 MR. MOREJON: -- you could sue --

7 MR. CABELLO: Because of the system --

8 CHAIRPERSON MARTINETTI: Correct.

9 MR. MOREJON: Or you could sue later --

10 MR. CABELLO: -- cause the taxpayers --

11 CHAIRPERSON MARTINETTI: Because of the
12 system we were exposed to.

13 MR. MOREJON: You could sue later that the
14 law is defective. You know that the law, as
15 written, is defective.

16 How do we know? We just got a bitter taste
17 of it.

18 COMMISSIONER GONZALEZ: Um-hum.

19 MR. MOREJON: You know we just had this --

20 MR. CABELLO: Along other seven million
21 people out there.

22 MR. MOREJON: So, you know, appealing --
23 you know you'd be appealing how the jury
24 calculated the interest owed. I don't know how
25 you do that.

1 You know there was never -- there was
2 never --

3 The other things you can appeal is the
4 Judge's ruling on something; you know, some
5 evidence that we disputed. I mean it really
6 didn't -- it wasn't that complicated of a case.

7 CHAIRPERSON MARTINETTI: But part of a
8 lawsuit they'd have to expose their books to us
9 and we could hire a forensic accountant to go
10 through it.

11 MR. CABELLO: Oh by the way we wanted to
12 bring in the -- our fee accountant, who happens
13 to be a CPA, who has a Master's in Economics, who
14 worked for the Housing Authority of Newark for 30
15 years, who is a financial guy. And when we
16 presented him as a witness he could see -- look
17 at this forensically -- he -- the Housing -- the
18 Housing -- the Sewer Authority --

19 MR. NATERA: Objected.

20 MR. CABELLO: -- objected to his being a
21 witness because it was presented too late.

22 Right, Julio?

23 When we represented Mr. --

24 CHAIRPERSON MARTINETTI: But we could hire
25 our own forensic accountant.

1 MR. CABELLO: Well, this is what we --

2 CHAIRPERSON MARTINETTI: Right. Or him.

3 MR. CABELLO: This guy was going to do
4 this.

5 CHAIRPERSON MARTINETTI: Right.

6 But now --

7 MR. CABELLO: But they refuse.

8 CHAIRPERSON MARTINETTI: No, I'm talking
9 for the suit now.

10 MR. CABELLO: Oh. Oh. Yeah, yeah, we'll
11 do it. We could get this guy or we get somebody
12 else.

13 CHAIRPERSON MARTINETTI: And we'll go
14 through their books with fine tooth comb and I'm
15 sure there's a lot that --

16 MR. CABELLO: Oh, let me tell you.

17 CHAIRPERSON MARTINETTI: -- needs to be
18 explained.

19 MR. CABELLO: The moment they told us
20 there's no way for them to, number one, provide
21 us with the actual billings from the water
22 company that they receive, he's floored. Because
23 this guy -- the attorney kept saying, well, you
24 want bills, here it is.

25 Yeah, this is why we have a problem, I want

1 to see where you arrive with those numbers.

2 COMMISSIONER GUTIERREZ: All those numbers

3 --

4 MR. CABELLO: We have no way to get back
5 and then all of a sudden you give us like 240
6 dollars (sic) going back, you know, three, four
7 years?

8 Like how do you do this?

9 And then there were that three that you
10 probably threw in there. I said, what, you don't
11 want the interest? You don't want a credit?
12 Yeah but how you arrive to this?

13 I don't want to go back to the past.

14 Hmm, that's interesting.

15 COMMISSIONER GONZALEZ: So, --

16 MR. NATERA: I don't consider myself --
17 I'm sorry.

18 COMMISSIONER GONZALEZ: No, go ahead.

19 MR. NATERA: I don't consider myself like a
20 genius or anything like that.

21 MR. CABELLO: You're not. Please.

22 MR. NATERA: But --

23 MR. CABELLO: Don't.

24 MR. NATERA: Yeah, right.

25 But I want to tell you something --

1 MR. CABELLO: Let's not --

2 MR. NATERA: -- I wanted -- I know how
3 Union City resident, just in general, is -- it's
4 our area, I want to know how many homeowners
5 could really understand the billing from the
6 Union -- from the Sewer Authority.

7 COMMISSIONER GUTIERREZ: I bet you a lot
8 of --

9 MR. CABELLO: Just pay it.

10 MR. NATERA: A lot --

11 MR. CABELLO: People just pay it.

12 MR. NATERA: A lot --

13 COMMISSIONER GUTIERREZ: A lot of them
14 don't know --

15 MR. CABELLO: People just pay it.

16 MR. NATERA: Exactly.

17 COMMISSIONER GUTIERREZ: -- what's going
18 on.

19 MR. CABELLO: People just pay it. People
20 just pay and they're getting ripped off.

21 COMMISSIONER GUTIERREZ: They just pay and
22 they don't even know what's going on.

23 MR. CABELLO: That's it.

24 MR. NATERA: I mean --

25 MR. CABELLO: That's --

1 MR. NATERA: -- when I saw a bill for
2 \$281,000.00 and this institution was telling me
3 that it's right?

4 CHAIRPERSON MARTINETTI: Could I add to
5 that?

6 There's other municipalities that their
7 residents are in arrear of payment and they do
8 not receive tax liens from the Sewer Authority.
9 But they seem to have targeted Union City in the
10 past, until there was a stop put to that.

11 That they were -- they were putting tax
12 liens on Union City properties but other towns
13 were not.

14 So there is no rhyme or reason --

15 MR. CABELLO: No, no, they got their --

16 CHAIRPERSON MARTINETTI: -- to the way
17 things operate there.

18 MR. CABELLO: -- own thing.

19 MR. NATERA: That's it, --

20 MR. CABELLO: Another thing I said, wait a
21 minute, if we owe you money, -- say if you owed a
22 credit card company or in a store, they send you
23 a letter say, look, you owe me so much, it's
24 going to be collection.

25 Nothing. They don't -- they just keep

1 | billing the interest.

2 | MR. NATERA: Exactly.

3 | MR. CABELLO: A property owner, you know,
4 | tack it into the property and then have the tax
5 | sale or whatever, so.

6 | COMMISSIONER GONZALEZ: Well, what I
7 | have --

8 | MR. CABELLO: All right.

9 | COMMISSIONER GONZALEZ: If I may?

10 | MR. CABELLO: Yes, Dennis.

11 | COMMISSIONER GONZALEZ: I need to
12 | interrupt.

13 | I have two motions.

14 | One is move the -- that we --

15 | MR. CABELLO: Pay the --

16 | COMMISSIONER GONZALEZ: -- we pay the full
17 | amount --

18 | MR. CABELLO: -- the full amount.

19 | COMMISSIONER GONZALEZ: -- without appeal.

20 | But I'd like the record to state that while
21 | we respect the jury process and the jury's
22 | decision we completely disagree with the jury on
23 | this.

24 | But we will pay and close out the case.

25 | And then I have another resolution after

1 | it.

2 | MR. CABELLO: Okay.

3 | Motion then to approve the payment
4 | Resolution 2014-04, Payment to the Sewer
5 | Authority, in the amount of \$3,482,277.52.

6 | Motion to --

7 | CHAIRPERSON MARTINETTI: Well, he made the
8 | motion.

9 | MR. CABELLO: Oh, he made --

10 | I'm sorry. Motion.

11 | Second please?

12 | CHAIRPERSON MARTINETTI: I'll second.

13 | MR. CABELLO: By Chairman Martinetti.

14 | Okay.

15 | Chairman Martinetti?

16 | CHAIRPERSON MARTINETTI: Yes.

17 | MR. CABELLO: Yes.

18 | Vice Chairperson Gutierrez?

19 | COMMISSIONER GUTIERREZ: Yes.

20 | MR. CABELLO: Delsa DeMartinez?

21 | COMMISSIONER DeMARTINEZ: Yes.

22 | MR. CABELLO: Yes.

23 | Teresa Cornelio?

24 | COMMISSIONER CORNELIO: Yes.

25 | MR. CABELLO: Yeah, Edwin Marinez; absent.

1 And Dorothy Jetter?

2 COMMISSIONER JETTER: Yes.

3 MR. CABELLO: Dennis Gonzalez?

4 COMMISSIONER GONZALEZ: Yes.

5 MR. CABELLO: Okay.

6 CHAIRPERSON MARTINETTI: But I'd also like
7 to let the record reflect that we're going to
8 reach out to our insurance company, see if
9 there's any way, due to the error and omissions
10 part of the policy.

11 Because they're saying that we erred.

12 Whether --

13 It's not a personal thing but --

14 MR. NATERA: I know. I know.

15 CHAIRPERSON MARTINETTI: But if we can get
16 coverage, --

17 MR. CABELLO: Yeah, yeah.

18 CHAIRPERSON MARTINETTI: -- let's try.

19 MR. CABELLO: Yeah.

20 CHAIRPERSON MARTINETTI: And --

21 COMMISSIONER GUTIERREZ: And you got to
22 call --

23 CHAIRPERSON MARTINETTI: -- I'd hand it
24 back over to Dennis; he has a second motion.

25

1 **MOTION TO DIRECT COUNSEL:**

2

3 COMMISSIONER GONZALEZ: Yeah and my second
4 resolution is that we ask counsel to pursue and
5 to report back to the Board our options in terms
6 of seeking legal recourse at the federal level
7 against the --

8 What is it called?

9 MR. CABELLO: Sewer of North Hudson.

10 COMMISSIONER GONZALEZ: North --

11 MR. CABELLO: North Hudson Sewer.

12 COMMISSIONER GONZALEZ: North Hudson Sewage
13 Authority.

14 CHAIRPERSON MARTINETTI: For billing
15 practices --

16 COMMISSIONER GONZALEZ: For --

17 CHAIRPERSON MARTINETTI: -- and any
18 other --

19 COMMISSIONER GONZALEZ: -- any other --

20 CHAIRPERSON MARTINETTI: -- that they
21 could find.

22 COMMISSIONER GONZALEZ: -- including
23 recouping the -- our --

24 MR. CABELLO: Interest.

25 COMMISSIONER GONZALEZ: -- our interest.

1 Is that --

2 CHAIRPERSON MARTINETTI: Yes. That's fine.

3 COMMISSIONER GONZALEZ: So, that's -- I
4 make that motion.

5 MR. CABELLO: Okay.

6 Second?

7 CHAIRPERSON MARTINETTI: I'll second.

8 COMMISSIONER GUTIERREZ: Okay, second.

9 CHAIRPERSON MARTINETTI: Everybody wants to
10 second that one.

11 MR. CABELLO: Yeah, everybody. Everybody
12 second.

13 Okay, Chairman Martinetti?

14 CHAIRPERSON MARTINETTI: Yes.

15 MR. CABELLO: Second; Teresa?

16 COMMISSIONER CORNELIO: Yes.

17 MR. CABELLO: Okay, Commissioner
18 Martinetti?

19 CHAIRPERSON MARTINETTI: Yes.

20 MR. CABELLO: Margarita Gutierrez?

21 COMMISSIONER GUTIERREZ: Yes.

22 MR. CABELLO: DeMartinez?

23 COMMISSIONER DeMARTINEZ: Yes.

24 MR. CABELLO: Miss Teresa Cornelio?

25 COMMISSIONER CORNELIO: Yes.

1 MR. CABELLO: Edwin Marinez; absent.

2 Commissioner Dorothy Jetter?

3 COMMISSIONER JETTER: Yes.

4 MR. CABELLO: And Dennis Gonzalez?

5 COMMISSIONER GONZALEZ: Yes.

6 MR. CABELLO: Okay.

7 CHAIRPERSON MARTINETTI: And just one more
8 thing.

9 If we -- any other kind of decisions come
10 down or verdicts or back payments that are due,
11 please let the Board know as soon as possible,
12 whether it's through yourself or counsel.

13 MR. CABELLO: No problem.

14 CHAIRPERSON MARTINETTI: Or Ralph or
15 anybody.

16 MR. CABELLO: But this is the first time we
17 had this --

18 CHAIRPERSON MARTINETTI: Yeah.

19 MR. CABELLO: -- issue. We never had
20 problems with anyone.

21 CHAIRPERSON MARTINETTI: Because I was
22 blind --

23 MR. CABELLO: I mean I've been here a long
24 time, twenty --

25 CHAIRPERSON MARTINETTI: When you called me

1 I was blindsided to be honest with you.

2 MR. CABELLO: I'm sorry. I mean that.

3 We never had -- whenever there was an issue
4 with any utility, man, they came down said look,
5 we need this; here it is. We need that; you
6 know, we verify, you're right. You know?

7 Like the meter one time was read wrong and
8 they took it and then we went -- we even went to
9 the public utilities in Newark, --

10 Remember, Ralph?

11 MR. NATERA: Yes.

12 MR. CABELLO: -- and the balance -- not
13 balance --

14 What do you call that?

15 MR. MORIN: Calibrated.

16 MR. NATERA: Calibrated.

17 MR. MORIN: They calibrated.

18 MR. CABELLO: They calibrated the meters.

19 So we resolved that issue.

20 So I expected the same thing from these
21 folks. But from day one, no, we're right and
22 you're wrong and pay us the interest.

23 MR. MOREJON: Just understand one thing. I
24 mean -- and this is how it happened.

25 The verdict came down Wednesday night at

1 five o'clock. By the time we left there we had a
2 -- I mean we literally had to walk down nine
3 flights of stairs, get to our car, we got here,
4 you know, and then we're -- you know, we're --

5 What's the thing when you come back,
6 decompressed I guess? Or --

7 MR. CABELLO: No.

8 MR. NATERA: Yeah, decompressed.

9 MR. MOREJON: Debrief. We're debriefing
10 ourselves.

11 MR. CABELLO: Look, --

12 MR. MOREJON: Like, well, how did this
13 happen?

14 MR. CABELLO: -- look, don't -- don't
15 accuse yourself. My responsibility, neither you
16 nor Rafael, to report this. So I take
17 responsibility for that.

18 I told you the reasons. Not an excuse. I
19 don't make excuses. That was the reason.

20 My head was in another space. The verdict
21 had come down already. So it's like not much we
22 can do. We had to wait for the verdict come
23 down; then the attorney to submit the agreement
24 that --

25 You know, so that's what that was. You

1 know?

2 But, again, I don't anticipate any problems
3 with anybody because we never -- we pay our bills
4 on time. And where there's a dispute, they don't
5 charge interest; they sit down, they resolve it.
6 The water company had been terrific all the time,
7 I got to say that. They even want to help us
8 with this.

9 I said, man, those people are real
10 providers down there. The lady --

11 Who's the lady, Jennifer?

12 MR. NATERA: Janet.

13 MR. CABELLO: Janet.

14 Yeah, told they're ripping off people. She
15 said it. So I feel sorry for these people. They
16 get ripped off right and left. Said they get the
17 same thing that you get, so how do they get this,
18 said I can't help you with that but --

19 MR. NATERA: And the reaction that I get
20 from the water company that comes here to read
21 the meters or to do anything with them -- and
22 when I told them about the Sewer Authority, that
23 -- oh my God, another one.

24 I mean they know exactly what --

25 MR. CABELLO: Oh, yeah.

1 MR. NATERA: -- Sewer Authority.

2 COMMISSIONER GONZALEZ: Is the water
3 company regulated by BPU?

4 CHAIRPERSON MARTINETTI: Yeah, they're BPU.

5 MR. CABELLO: Yes.

6 MR. NATERA: Yes.

7 MR. MORIN: Yes.

8 COMMISSIONER GONZALEZ: Oh, that's why.

9 MR. CABELLO: As a matter of fact in New
10 York State, right, they wanted to have an
11 increase and the --

12 CHAIRPERSON MARTINETTI: Right.

13 MR. CABELLO: -- utilities say no.

14 CHAIRPERSON MARTINETTI: Correct.

15 MR. CABELLO: I'm on top of the water, man,
16 it's important. Because I don't know if you
17 still have stock there but --

18 CHAIRPERSON MARTINETTI: No, they went
19 private. They were bought up Suez --

20 MR. CABELLO: Oh, Suez; that's right.
21 That's right.

22 Oh, Suez.

23 MR. NATERA: Yeah, that's right, Suez.

24 MR. CABELLO: All right, anything else?

25 No?

1 CHAIRPERSON MARTINETTI: No.

2 When's our next meeting?

3 MR. CABELLO: September.

4 CHAIRPERSON MARTINETTI: September?

5 So Julio has plenty of time to research
6 this.

7 MR. CABELLO: Plenty of time to get his act
8 together and --

9 COMMISSIONER GUTIERREZ: Yeah. Yeah.

10 CHAIRPERSON MARTINETTI: If you could
11 actually, you know, --

12 COMMISSIONER GUTIERREZ: And in case --

13 CHAIRPERSON MARTINETTI: -- cite same case
14 law also?

15 COMMISSIONER GUTIERREZ: -- if we have to
16 do any Special Meeting, --

17 MR. CABELLO: No. Yeah but --

18 COMMISSIONER GUTIERREZ: -- you just call
19 him up and --

20 MR. CABELLO: -- we do it over the phone.
21 You know.

22 CHAIRPERSON MARTINETTI: He's also going to
23 supply us with some case law and --

24 MR. CABELLO: Yeah.

25 CHAIRPERSON MARTINETTI: -- so forth and so

1 on.

2 COMMISSIONER GUTIERREZ: Yeah.

3 CHAIRPERSON MARTINETTI: And look into the
4 jury verdict --

5 MR. MOREJON: Um-hum.

6 CHAIRPERSON MARTINETTI: -- sheet stuff
7 because that's -- I know that's a --

8 COMMISSIONER GONZALEZ: And the --

9 CHAIRPERSON MARTINETTI: -- important
10 issue.

11 COMMISSIONER GONZALEZ: -- motion was a
12 motion that also, you know, we need to hire
13 outside counsel --

14 MR. MOREJON: Right.

15 CHAIRPERSON MARTINETTI: Yeah, that
16 wouldn't be an issue.

17 MR. MOREJON: Well that's something I'll
18 definitely come back to the Board --

19 MR. CABELLO: And you said about the
20 forensic accountant, --

21 CHAIRPERSON MARTINETTI: Correct. If we
22 sue we should --

23 MR. CABELLO: -- in case we need to, you
24 know, --

25 CHAIRPERSON MARTINETTI: Listen, we

1 authorize what we need to to try and recoup some
2 of our money, if not all of it.

3 MR. NATERA: But --

4 MR. CABELLO: I tell you --

5 MR. NATERA: -- all this --

6 CHAIRPERSON MARTINETTI: And stop this from
7 happening in the future. Because you could get a
8 hundred thousand dollar bill tomorrow like you
9 stated.

10 MR. CABELLO: Yeah we go back to square
11 one.

12 CHAIRPERSON MARTINETTI: We're back to
13 square one; right.

14 MR. CABELLO: So, again, we'll pay the
15 bill, we'll make the correct -- we inform
16 immediately this is it, next quarter if it's not
17 there then we'll proceed, you know, and say,
18 look, we demand this thing because it was wrong.

19 CHAIRPERSON MARTINETTI: No, litigation
20 should be taken immediately --

21 MR. CABELLO: Yeah.

22 CHAIRPERSON MARTINETTI: -- if there's a
23 discrepancy like that again.

24 MR. CABELLO: Yeah.

25 MR. NATERA: That was the only thing --

1 MR. CABELLO: Yeah, man.

2 MR. NATERA: -- that they were pushing on
3 us, their laws for the interest. That's the only
4 thing they were pushing.

5 MR. CABELLO: All they want is the
6 interest, man.

7 MR. NATERA: They didn't care about
8 anything else.

9 MR. CABELLO: They could care less about
10 the --

11 MR. NATERA: And these are the people that
12 were responsible for --

13 They said, it's not my problem, it's yours.

14 MR. MOREJON: It was like a bonus. Like
15 when you get a bonus in your job. That's how
16 they were looking at it. I want my bonus. I
17 want my interest.

18 MR. CABELLO: Okay.

19 Yeah, yeah, can I be a little ethnic?

20 Are we off the record?

21 MS. DILLON: No, you're not.

22 COMMISSIONER GONZALEZ: Can we --

23 MR. CABELLO: I'll do it after the thing.

24 MS. DILLON: Do you want to adjourn?

25 COMMISSIONER GONZALEZ: Maybe we should

1 just --

2 MR. CABELLO: No, no, no.

3 COMMISSIONER GONZALEZ: -- adjourn?

4 MR. CABELLO: We adjourn?

5 COMMISSIONER GONZALEZ: So that way we can
6 have --

7 MR. CABELLO: Okay.

8 COMMISSIONER GONZALEZ: -- some
9 conversations then.

10

11 **ADJOURNMENT**

12

13 MR. CABELLO: So motion, --

14 CHAIRPERSON MARTINETTI: I'll second.

15 MR. CABELLO: -- Dennis Gonzalez.

16 Second by the Chairman -- by Martinetti.

17 Roll call.

18 Martinetti?

19 CHAIRPERSON MARTINETTI: Yes.

20 MR. CABELLO: Marty.

21 Gutierrez?

22 COMMISSIONER GUTIERREZ: Yes.

23 MR. CABELLO: DeMartinez?

24 COMMISSIONER DeMARTINEZ: Yes.

25 MR. CABELLO: Cornelio?

1 COMMISSIONER CORNELIO: Yes.

2 MR. CABELLO: Edwin Marinez; absent.

3 Dorothy Jetter?

4 COMMISSIONER JETTER: Yes.

5 MR. CABELLO: And Dennis Gonzalez?

6 COMMISSIONER GONZALEZ: Yes.

7 MR. CABELLO: Thank you very much.

8

9 (Whereupon, the proceedings were concluded

10 at 6:14 p.m.)

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1 STATE OF NEW JERSEY:

2 :

3 COUNTY OF ESSEX :

4

5 I, KAREN A. MARINO, assigned transcriber,
6 do hereby affirm that the foregoing is a true and
7 accurate transcript in the matter of the SPECIAL
8 MEETING of the CITY OF UNION CITY HOUSING
9 AUTHORITY, held on Monday, June 30, 2014, and
10 digitally recorded.

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