

**MINUTES OF MEETING
HERITAGE HARBOUR NORTH
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Supervisors of the Heritage Harbour North Community Development District was held on Friday, March 21, 2025, at 1:00 P.M. at the River Strand Golf and Country Clubhouse, 7155 Grand Estuary Trail, Bradenton, Florida 34212.

Present and constituting a quorum:

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| Nancy Lyons | Chairperson |
| John Wisz | Vice Chairperson |
| Pauline Tasler | Assistant Secretary |
| Michael Fisher | Assistant Secretary |
| Louise Buckley | Assistant Secretary |

Also present were:

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| James P. Ward | District Manager |
| Greg Urbancic | District Counsel |

Audience:

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| Anna Naramore | River Strand HOA |
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All residents' names were not included with the minutes. If a resident did not identify themselves or the audio file did not pick up the name, the name was not recorded in these minutes.

**PORTIONS OF THIS MEETING WERE TRANSCRIBED VERBATIM. ALL VERBATIM PORTIONS WERE
TRANSCRIBED IN *ITALICS*.**

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. James P. Ward called the meeting to order at approximately 1:00 p.m. He called roll and all Members of the Board were present, constituting a quorum.

SECOND ORDER OF BUSINESS

Consideration of Minutes

February 6, 2025 - Regular Meeting Minutes

Mr. Ward asked if there were any additions, corrections, or deletions to the Minutes.

Corrections were made by Nancy Lyons.

On MOTION made by Wisz, seconded by Tasler, and with all in favor, the February 6, 2025, Regular Meeting Minutes were approved as corrected.

THIRD ORDER OF BUSINESS

Consideration of Resolution 2025-3

Consideration of Resolution 2025-3, a Resolution of the Board of Supervisors of Heritage Harbour North Community Development District, Rescinding Resolution 2025-2 which approved the Fiscal Year 2026 Budget: Approving a Revised Proposed Budget for Fiscal Year 2026 and setting a Public Hearing thereon pursuant to Florida Law; providing for severability; providing for conflict and providing for an effective date

Mr. Ward: We started this at your last meeting where we approved a proposed budget for the purpose of setting a public hearing. What we are going to do today is rescind your prior resolution which was 2025-2 and approve a new proposed budget for Fiscal Year 2026. In general, as you know, over the past couple of months, we have had a number of discussions with respect to the Aqua Terra agreement that the District has in place. Considerations were made with respect to its termination provisions which are in 2036. I recommended we proceed forward with looking at alternative mechanisms to provide reuse irrigation water to this community and be in a position to terminate the agreement if you find it appropriate to do that. During the intervening period, the Master River Strand HOA Board reached out to me, and I've had a meeting with them and discussions about doing just that. In those discussions, and they are here today and are welcome to make their voices heard, they were 100% on board with the District moving forward with that process. As you know, the agreement itself is between the District and Aqua Terra or whoever their successor entity is. River Strand is paying the irrigation bills through the Master Association, which makes this even more convoluted. However, the District is the controlling entity with respect to the termination provisions and the rights under that Aqua Terra agreement. What we have initially worked out is that we would establish a budget going forward of roughly \$250,000 dollars of which the CDD would bear 50% of the cost, and River Strand HOA would bear the other 50% of the cost. I suspect this will last us a couple of years, but it's a good start for the District to begin the process. We bear 50% of the cost we incur, so if we incur less then we pay less. A part of the process is that we will go through a request for qualification process to identify engineers that may be interested in helping us identify the alternatives that we may have, the cost of the infrastructure necessary to bring the system up to a current standard, and how we might go about connecting to the County's reuse system. At some point this may involve the Master Association and Heritage Harbour South Board. It will not affect the Heritage Harbour Market Place CDD because I know the Master bills the Market Place property owner's association for some costs related to the irrigation system. That's the plan. This is not a short term program. This will take a number of years to get through. I appreciate the River Strand's HOA Board's 100% buy-in to this program. I think this will be a unique and good opportunity for the entire community to move forward with something that I feel very strongly is important for you all long term, not only for your existing residents, but for your future residents, in order to enjoy the benefits of having water provided by a company that is local, Manatee County, and I think it may ultimately benefit you financially over the long haul. That's the background of the resolution.

Mr. Mike Fisher: I don't know if I'm repeating myself, but when I was on the Master Board in the beginning is when we found out that Lennar had basically signed a contract with themselves, because they owned Aqua Terra at the time, which would go on until the 2030s. At that time, the Master Board

went to Manatee County to see if it would be interested in taking care of the water, and the County said absolutely. They sent an engineer out at that time, and they went over the system, and they went to a contractor who came back and said to redo the system properly it would cost \$1 million dollars. The water would have been much cheaper than it is today. So, basically what we are doing is starting from scratch.

Mr. Ward: We are starting from scratch. One of the benefits of having a CDD is that we can finance some of these kinds of improvements through capital assessments that you can place on your property owners on a more long-term basis, so nobody has to come up with a ton of money out of pocket on day one. We would do these on a subordinate basis, so the interest rate is going to be higher because we have existing bonds in place, but we can do this, and I think that also is a benefit of being able to use the CDD. I know HOAs have a more difficult time in that process than we do, so we would be in a position to help your entire community in doing that as we go through this process. Whatever the number is, we have to get through the first couple of steps. We have to get an engineer on board. We need to start working with the HOA in identifying what the alternatives are, how we work with the County, what types of agreements will be needed, legally how we will be able to terminate the agreements. There are a ton of moving parts to this process over the next couple of years that we will all have to work together on.

Ms. Lyons: I noticed on some of the documentation that the way things were modified, it now includes some more definition as to the definition of the buying entity and how much that's going to be researched and part of this working process. That's my concern. We have to know who we are dealing with, and I want (indecipherable), they don't necessarily have to have the criteria of a Manatee County company, but whatever other stipulations that have been actually pointed out in your documents here that specify what you are looking for in an engineering company to do this job, I want to make sure who we are dealing with and who we are going to pay because Lennar sold that company four years ago. Who have we been paying for four years?

Mr. Ward: I think that's a good point because I do think we will end up in litigation with this company, or there is a strong indication that we may do that, so those kinds of questions need to be answered.

Ms. Lyons: I would like the attorneys to be very closely involved up front.

Mr. Ward: We will definitely need to do that. To your second question, currently the Aqua Terra company, and the name constantly escapes my head, is South West Water. They bill the Master HOA for all of their services.

Ms. Anna Naramore: We are thrilled that the CDD wants to work with us as River Strand's Board. That water source is our sole source of irrigation for our \$6 million dollar newly renovated golf course and our common grounds irrigation and our family homes. We are totally dependent upon it. In the last two years that Joe Rasid (ph), our general manager, has been here, it is very obvious that it has not been well maintained. We have pump issues. We have snails on the bottom. You may remember last summer we had no irrigation out of there and it scared the heck out of us about our golf course. That problem is not going to go away. They have no vested interest in maintaining that system to the level that we see as a need for our community. This established partnership is very much appreciated from the Board because we need to fix this, all of us. It's not a problem that will be solved in a year or two years. This is probably a multiyear problem. River Strand just hired a new law firm, and we have engaged a land use specific lawyer to work with the team to help with any legal issues that need to be addressed. I guess the message I would send to you is River Strand's HOA fully wants this to be resolved for the long term and

establishing a partnership with the CDD to figure out how to do that is very much appreciated and we look forward to working with you to get it done.

Male Audience member: I heard at a previous board meeting that another community similar to ours has filed a suit against Aqua Terra to break their agreement and they ruled in favor of breaking it and Aqua Terra has gone back and appealed.

Ms. Buckey: Have you given those details to Greg so he can look into it?

Male Audience member: Yes. There is some potential (indecipherable).

Ms. Lyons: It seems to me, the sooner the better. For the last 9 months, we have been harping on them, trying to get information. I've called them 55,000 times and I'm very glad everyone is working towards this.

Discussion continued regarding how important it was to begin this process, how long it would take, and Aqua Terra not being communicative or cooperative.

Mr. Ward explained Resolution 2025-3 approved a revised budget and set the public hearing date for May 1, 2025. He noted the Resolution did not bind the Board to anything within the budget. He explained because the budget would go over the cap rate, mailed notice would go out to the residents. He stated he expected residents to attend the public hearing. He stated the RFQ for the engineer would be advertised on Monday. He stated the current engineering company, Atwell Engineering, did not have to submit a qualification but he requested Atwell to submit the information for Board review. He asked if there were any additional questions; hearing none, he called for a motion.

On MOTION made by Lyons, seconded by Fisher, and with all in favor, the Resolution 2025-3 was adopted, and the Chair was authorized to sign.

FOURTH ORDER OF BUSINESS

Consideration of RFQs

Consideration of issuance of Request for Qualifications from Engineer's to evaluate the Manatee County Re-Use System, including but not limited to an evaluation of the District's irrigation system capital infrastructure, ability to tie into the Manatee County Re-Use system, and preliminary cost estimates for infrastructure improvements that may be needed for utilization of the County Re-use System

Mr. Ward: I've provided a copy of this to you. You do not necessarily have to approve it. I have the authority as the Manager to issue it, but I wanted to make sure you saw the qualification proposals that were going out. If anybody has any questions just let me know, but these are pretty much a standard qualification. I asked Patrick if he had any comments, and he did not. I sent it to Greg who had a few questions and comments which I incorporated into the one you have in front of you.

FIFTH ORDER OF BUSINESS

Staff Reports

I. District Attorney

No report.

II. District Engineer

No report.

III. District Manager

a) Important Board Meeting Dates for Balance of Fiscal Year 2026

1. May 1, 2025 – Public Hearings: Proposed Fiscal Year 2026 Budget

b) Financial Statement for period ending January 31, 2025 (unaudited)

c) Financial Statement for period ending February 28, 2025 (unaudited)

Mr. Ward reminded the Board that the public hearing was scheduled for May 1, 2025. He indicated staff would send out calendar invites, and the Agenda would go out seven days before the meeting. He stated he asked his staff to copy the HOA Board on the transmittal of the next Agenda and he asked staff to make printed copies of the Qualification for the HOA Board and CDD Board as well.

SIXTH ORDER OF BUSINESS

Public Comments

Public Comments: - Public comment period is for items NOT listed on the agenda, and comments are limited to three (3) minutes per person and assignment of speaking time is not permitted; however, the Presiding Officer may extend or reduce the time for the public comment period consistent with Section 286.0114, Florida Statutes.

Mr. Ward asked if there were any additional questions or comments; there were none.

SEVENTH ORDER OF BUSINESS

Supervisor's Requests

Mr. Ward asked if there were any Supervisor's Requests; there were none.

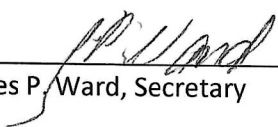
EIGHTH ORDER OF BUSINESS


Adjournment

Mr. Ward adjourned the meeting at approximately 1:25 p.m.

**On MOTION made by Tasler, seconded by Wisz, and with all in favor,
the Meeting was adjourned.**

Heritage Harbour North
Community Development District


James P. Ward, Secretary


Nancy Lyons, Chairperson