

**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 Thursday, September 5, 2024, 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:**

Nancy Lyons	Chairperson
John Wisz	Vice Chairperson
Pauline Tasler	Assistant Secretary
Michael Fisher	Assistant Secretary
Louise Buckley	Assistant Secretary (Call-in)

**Also present were:**

James P. Ward	District Manager
Greg Urbancic	District Counsel

**Audience:**

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 1:20 p.m. He called roll and all Members of the Board were present constituting a quorum.

**SECOND ORDER OF BUSINESS**

**Consideration of Minutes**

**May 2, 2024, Public Hearing and Regular Meeting Minutes**

Mr. Ward asked if there were any additions, corrections, or deletions to the Minutes; there were none.

<p><b>On MOTION made by Michael Fisher, seconded by John Wisz, and with all in favor, the May 2, 2024, Public Hearing and Regular Meeting Minutes were approved.</b></p>
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**THIRD ORDER OF BUSINESS**

**Discussion**

**Discussion of Ownership, Operations and Maintenance of the District's Facilities**

*Mr. Ward: We have two issues that have come up since your last board meeting. The first is related to the District's stormwater management system. With the hurricane that came through this community a couple of months ago, there apparently was some flooding within the community and I understand there were a lot of questions regarding who was maintaining things, who owned it, who was supposed to maintain it, etc., most of which have been resolved within the community itself, but I wanted to go through that issue with you. With respect to the stormwater management system, this District is the owner of the entire stormwater management system in River Strand. That includes the lakes, the lake banks, all of the pipework that connects the roadways to the lakes, and any interconnecting pipes between the lakes and any outfall structures that you may have within this community including all of the preserves that are within River Strand. All of those facilities have always been maintained pursuant to an agreement between the District and the River Strand HOA. It has been their responsibility to operate and maintain those facilities as they deemed appropriate for the betterment of this community. The agreement we have is a relatively old agreement. It does provide some reporting and filing requirements from the HOA which I will tell you I have in every agreement with HOA in a lot of my CDDs, nobody ever reports anything. During the hurricane apparently River Strand and the Master Association at some point agreed together that the Master Association would be responsible for the maintenance of the River Strand facilities that are under the agreement that the District has with River Strand HOA. All of which is fine. Fast forward there has been a change with both the River Strand HOA and I'm guessing the Master Association. As Mike has mentioned, there has been a change in the board members and there has been confusion as to who was supposed to be maintaining what. I understand now that the River Strand HOA has worked out all of those issues with the Master and the Master is going to take over the responsibility for maintaining the system. What did not happen when River Strand HOA and the Master Association originally got together for the Master Association to maintain it, they did not assign those rights to them pursuant to an agreement. As a result of that, the Master just wasn't doing it. What I want to suggest that we do is that this District get a new agreement with the Master Association to maintain your facilities. There is already an agreement in place I found with the Master Association and the Heritage Harbour South CDD to do just that, and we should do the same thing, same terms, same conditions. The laws changed in the last year so I'm guessing Greg's going to tell us we have to make some changes to the agreement, but we should do that. The reason that's important to do is you all pay into your Master Association, irrespective of whether they are maintaining our system or not, so you get to pay twice if the River Strand Association is doing it, plus you're paying for part of the maintenance of the Heritage Harbour South water management system maintenance because it's in the Master, so it makes sense to put it all in the Master Association, let everybody have that system maintained by the Master HOA and everybody knows their rolls and responsibilities and then we can terminate the agreement we have with the River Strand HOA for maintenance of our facilities. It will be one agreement between the District and the Master to maintain it. They can do what they want, when they want to do it, to maintain our facilities and we are done with it at that point. So, that has come up in the last couple of months. If everybody is okay with that, I need to get with the Master Association. I'm going to go through the River Strand HOA to help with that, because I don't know the Master HOA Board. Greg and I need to go through that with them, and I assume they have a lawyer, but we want to try to minimize the damage by copying what Heritage Harbour South did.*

*Mr. Fisher: River Strand HOA and the Master HOA have the same attorney.*

*Mr. Ward: That's a good thing. That makes it even easier.*

*Mr. Greg Urbancic: That's a good summary Jim. I think that the agreement they have with Heritage Harbour South is a really good base. Like you said, there will just be some law updates we have to mold in, but otherwise I think that's a really good plan.*

*Mr. Ward: If you all are okay with that, that's how we will proceed. I'm not asking you to take any action on it today. It's just something that will come back to you as soon as we can get through this process with the Master Association. It will come to you in two forms, termination of the agreement with River Strand HOA, and then consideration of an agreement with the Master HOA, basically to do the same thing we are doing in the River Strand Agreement.*

*Ms. Lyons: I thought that this document represents the report that River Strand was supposed to be giving CDD North pursuant to our agreement with them as to the status of the entire system. The report requires, as it was designed Banks Engineering, certain frequency of reporting and exactly what they were supposed to be reporting. River Strand has never done it before at all. It took me three months following with them. We finally got a report. Do you want me to pass it by your guys? It's very general. They just say, "problem areas cleaned recently, setting up maintenance plan with Cast Management in the fall." They haven't really done anything yet.*

*Mr. Ward: When we do the new agreement, I don't recall if the South agreement had those kinds of reporting requirements. I'm probably going to want to take them out even if they are there because it's not necessary. They are your residents, and CDDs are not designed to be the overseers of HOAs. That's not the way the law works. So, we will skip that. The other issue that's come up is with respect to Aqua Terra. You may recall we have an agreement with Aqua Terra. It was entered into at least 10 years ago. I don't remember when, maybe 15 or 20 years ago at this point. Greg, do you remember how old that agreement is?*

*Mr. Urbancic: I can look it up while we are talking.*

*Mr. Ward: It's a pretty old agreement. Aqua Terra has apparently been sold to another company at this point. Greg and I understand from a conversation we had with the attorney who represents whoever the new firm is, that the firm has been acquired a couple of different times from the time Lennar sold it to whoever they sold it to, that's been sold a few more times. It's now owned by a larger investment company type of firm that owns these private utility companies around the country.*

*Ms. Lyons: It was done November 2016.*

*Mr. Ward: Okay. It now has a foreign investor included in the investment structure of whoever owns this new company. One of the things I have learned in recent months is River Strand pays an amount of money to Aqua Terra, whatever that amount of money is on a yearly basis, and so does Heritage Harbour South. I remember there was an agreement between the South CDD and Aqua Terra also, same agreement you had with Aqua Terra for services. So, you have now an entire community whose irrigation system is with some other private company. It's pretty unusual to have these kinds of things. We do need to somehow get the agreement changed over from Aqua Terra to them and the Heritage Harbour North CDD. They weren't going to provide us with any information that was important for us to take a look at, such as who their ownership structure is, no financial information whatsoever, they were just going to give us fluff material. They were just going to tell us we own this many utility companies, blah, blah, blah. All of which is not important. So, if we want to do the transition of the agreement, I'm fine with that. What I think is more important from a larger perspective, is that this agreement*

*terminates in 20 or 30 years, and I think this community and Heritage Harbour South Community need to look at terminating that agreement, when it is terminable, and putting in place a procedure and a plan to move your irrigation system, once you have done a financial analysis of how much that is going to cost, to Manatee County's reuse water system. With the Manatee County system, you have fixed rates for reuse water. I think the current rate structure is 45 cents per 1,000 gallons for reuse water for common areas for larger communities. Golf courses only pay 25 cents per 1,000 gallons, so it's pretty inexpensive water. The key is what the cost of retrofitting a system that you currently have that's 20 years old to bring it up to meet standards required to connect to reuse water. The only thing this CDD can do is terminate the agreement with Aqua Terra. We can help with the financing with the infrastructure necessary to bring those facilities up to speed to do that, and then sometimes reuse agreements are required, sometimes they are not required, so we can do a reuse agreement with Manatee County if needed. We can have the River Strand Association do an agreement with the County if needed. Many times, they are not required, you just open up a new account. I think that's where we need to go with the issue. I will talk with the River Strand HOA because this is a bigger issue than just the little of us that are sitting in this room. There needs to be a larger conversation with River Strand HOA, the Master Association, and the Heritage Harbour Stoneybrook Association. Those larger associations need to have it. The CDDs become a part of it because that's where the agreement is and that has to be terminated probably with 12 months termination clause, otherwise it's going to be extended for another long period of time. I think from a larger perspective that's the way to go. We can transition this, so we get Aqua Terra out of the picture, whoever this company is, and transition it so the agreement is with the right company. You have a much larger problem to deal with here than just whether we change this agreement over from whoever it is these days to that company and the Heritage Harbour North CDD. I gave you a lot of information very quickly. Take your time and think about it. Greg?*

*Mr. Urbancic: What was interesting in our conversation and the followup email we got from the person at the new company was, it did not even sound like she had a copy of our agreement on hand, and because what she sent us was the South agreement, not the agreement we have, so I think there is some confusion on their end. I don't have our agreement handy, but I was looking at the South's and one of the things in the term we are really going to have to be cognizant of, is in order to not have the agreement renew, at least in the South, they have to have 75% of the lot owners agree that they are going to terminate the agreement. We have to look at ours and figure out the hurdles. They may have some hurdles, but that doesn't mean we can't overcome those, but there are just some things we need to take a look at and make sure we have enough lead time to do if we are going to go that direction.*

*Mr. Fisher: I'm a little confused about the payment. Everything is paid to the Master Association and the Master Association pays Aqua Terra. They do all the financing. They pay whoever this company is.*

*Mr. Ward: So, he probably knows he's paying the Master Association \$120,000 or \$130,000 a year. Okay, so we will take a look at the agreement. Well, that's a new one, 75 percent of the owners have to agree. It's doable. I think it's important to look at. You have 3,500 or 3,700 units in both CDDs at this point. It's a big community. This is lots of money in real estate value and one of the big features here is all of your landscaping, your golf courses, the lifestyle that you lead, and the irrigation water is controlled by some private company owned by a foreign investor. Not a good idea. I don't see this as a smart move long term for this community over the next 20 or 30 years and it's something you need to address. If you decide to keep it, that's it, but you have to get the cards on the table and make sure everybody knows what's going on. Greg and I are going to move forward to at least get the agreement switched over, so we have it. We will ask Greg to look at all the termination provisions, how we need to move forward with that. We need to reach out to the Master and River Strand HOA and try to come up*

*with a plan to figure out how to have you guys move this forward. This is in their court to do it. We play a role because we have to terminate the agreement and if we have to get the consents, we can do that also. We can help with the financing for whatever infrastructure is needed in order to at least get the system up to speed with the County, and Greg and I can help if we have to make agreements with Manatee County in order to move the process forward. That's where I think we are. I think that's a plan that's reasonable for us to pursue over the coming couple of years.*

The Board was in agreement with this plan.

*Ms. Lyons: The agreement is automatically extended for successive periods of ten years each unless prior to the commencement of any such ten year the termination of this agreement is approved by either party and that party gives notice.*

*Mr. Urbancic: Is that what our agreement says?*

*Ms. Lyons: Yes.*

*Mr. Urbancic: Very good. Jim, if we could get a copy of that from him.*

*Mr. Ward: Okay. Corey will send it to you.*

*Ms. Lyons: But it also says, "the CDD and Aqua Terra shall retain ownership of their respective portions of the CDD distribution system."*

*Mr. Ward: They can have theirs because they don't own our distribution system. We own our distribution system. Whatever they have we wouldn't want it anyway because we are going to reconnect our system to Manatee County. We own the distribution system. That's a very important element. We don't own the delivery system to our line distribution system. That's fine. We are definitely going to have costs because the water has to go to someplace to pump it out of to go into the distribution system. Whoever owns that it can go away. It's going to be old. It's not going to meet the standard for a reuse system anymore.*

#### **FOURTH ORDER OF BUSINESS**

#### **Staff Reports**

**I. District Attorney**

No report.

**II. District Engineer**

No report.

**III. District Manager**

- a) **New performance reporting requirements for CDD's**
- b) **Financial Statement for period ending January 31, 2024 (unaudited)**
- c) **Financial Statement for period ending February 29, 2024 (unaudited)**
- d) **Financial Statement for period ending March 31, 2024 (unaudited)**

*Mr. Ward: The only thing that I wanted to bring up to you which did not make it into the Agenda was, there is a new requirement under the legislation that we have performance measures and standards reporting for the CDDs all over the state. Greg was kind enough to send to my office a performance standard for that. We have to report as of September 30 of this year. It's due by September 1. The reporting only goes to the District's website. There's no external reporting with any other agency or the state. We are going to do performance measures and standards with the goal of community communication and engagement, infrastructure and facilities maintenance which we don't have, and financial transparency and accountability. The goals are we have a certain number of meetings per year, a minimum of two, notice of meeting compliance, advertising according to statute, access to records compliance, we have an electronic records policy in place, we measure that on a yearly basis, we check the websites to make sure things are compliant. As I said we really don't have any infrastructure. It does say we will have our District Engineer conduct an annual inspection, and we may need to budget with that one because we have an Engineering Firm based out of southwest Florida, so we may need to change our District Engineer to meet that, but we will deal with that later this year. Those are the things we have established pursuant to the standard itself. What I've been asking the Boards to do is approve the standards, we post the approved standards on your website, and then our office will go through and make sure we did it, met all the requirements under this reporting standard, and then we post them on the website.*

Discussion ensued about the four hours of ethics training; there was no certificate of completion for the training.

Mr. Ward called for a motion to approve the performance measurement standard without the District Engineer doing the annual inspection. He noted if during Fiscal Year 2025 it was discovered there was a need to have an inspection, he would add it back into the standard.

**On MOTION made by Mr. John Wisz, seconded by Ms. Pauline Tasler, and with all in favor, the performance measurement standard without a requirement for the District Engineer to do an annual inspection was approved.**

Mr. Ward reminded the Board to complete the ethics training. He indicated he would send out the links for the ethics training again.

#### **FIFTH 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.

#### **SIXTH ORDER OF BUSINESS**

#### **Supervisor's Requests**

Mr. Ward asked if there were any Supervisor's Requests.

Ms. Lyons thanked Jim Ward for addressing these issues which she felt were critical to the community.

Mr. Ward thanked Ms. Lyons for letting him know about these issues.

**SEVENTH ORDER OF BUSINESS**

**Adjournment**

Mr. Ward adjourned the meeting at approximately 1:48 p.m.

**On MOTION made by Ms. Louise Buckley, seconded by Ms. Nancy Lyons, and with all in favor, the Meeting was adjourned.**

Heritage Harbour North  
Community Development District

  
James P. Ward, Secretary

  
Nancy Lyons, Chairperson