
MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

**HARBOR BAY
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of Harbor Bay Community Development District was held on **Tuesday, May 15, 2007 at 9:05 a.m.** at the Mira Bay Clubhouse, the Lagoon Room, located at 107 Manns Harbor Drive, Apollo Beach, Florida 33572.

Present and constituting a quorum were:

Scott Jones	Board Supervisor, Vice Chairman
Julie Wisdom	Board Supervisor, Assistant Secretary
Lisa Wrenn	Board Supervisor, Assistant Secretary
Laura Ackerman	Board Supervisor, Assistant Secretary

Also present were:

Tina Wells	District Manager, Rizzetta & Company, Inc.
Michael Brooks	District Counsel, Bricklemyer, Smolker & Bolves, P.A.
Jamie Scarola	District Engineer, Scarola & Associates
Aida Johnson	Clubhouse Manager
Tracy Lose	Community Association Manager
Doug Draper	Representative, Prager Sealy & Company, LLC
Chris Coughlin	Project Manager
Diana Hilton	Representative, Newland Communities
Audience	

FIRST ORDER OF BUSINESS

Call to Order

Ms. Wells called the meeting to order and read the roll call.

SECOND ORDER OF BUSINESS

**Consideration of Board Supervisor
Replacement**

Ms. Wells stated that the next item on the agenda was the consideration of the appointment of a replacement Board Supervisor. She asked for any nominations or recommendations. Mr. Jones nominated Diana Hilton.

On a Motion by Mr. Jones, seconded by Ms. Wisdom, with all in favor, the Board appointed Diana Hilton as Board Supervisor for Harbor Bay Community Development District.

THIRD ORDER OF BUSINESS

**Administer Oath of Office to Newly
Appointed Board Supervisor**

Ms. Wells stated that the next item on the agenda was to administer the Oath of Office to newly appointed Board Supervisor, Diana Hilton. Ms. Wells stated that she is a Notary Public in the State of Florida and is authorized to administer the oath. Ms. Wells asked Ms. Hilton to raise her right hand and swear and affirm to the oath that she read. Ms. Hilton swore and affirmed to the oath and executed it.

Ms. Wells stated that she would meet with Ms. Hilton briefly after the meeting to review the Sunshine Amendment, and to have Ms. Hilton fill out a Supervisor packet. Mr. Brooks advised Ms. Hilton that District records, such as the agenda packets, if retained, should be kept separate from other business or personal records.

FOURTH ORDER OF BUSINESS

**Consideration of Minutes of the Board of
Supervisors' Meeting held on April 17,
2007**

Ms. Wells stated that the next order of business would be the consideration of the minutes of the Board of Supervisors' meeting held on April 1, 2007. She asked if there were any comments, corrections, additions, or deletions to the minutes.

It was stated that on page four, under the Seventh Order of Business, the correct amount of Requisition #444 should be \$240,000, not \$240 million. It was also stated that the third sentence in the Eighth Order of Business, which states, "Mr. Draper stated that originally when these bonds were issued there was an undeveloped parcel and this was utilized by the District to finance portions of the infrastructure improvements at the time in order to raise the money with the investors to issue bonds at a non-rated basis." is somewhat misleading. It was stated that parcel was not used by the District to finance portions. Another clarification was made that the reason for the interest rate on the prior bonds was because it was an undeveloped parcel, i.e., the Mira Bay community was undeveloped. It was stated that there was one landowner, and the bonds were non-rated in nature.

Ms. Wells stated that at this meeting the minutes can be approved, as amended, but in addition, the corrected minutes will be brought back before the Board for review and ratification at the next Board meeting. Ms. Wells asked for a motion to approve.

It was stated that on page five, on the motion regarding the Eighth Order of Business, it is incorrectly stated that "the Board approved proceeding with the refinancing of the 2001A Series Bonds". It was stated that the Board approved requesting more details from Mr. Draper on the District's available financing options; the decision was not made on whether to go forward with the refinancing.

Ms. Wells stated that the three corrections would be made; she asked for a motion to approve the minutes as corrected. Ms. Wells stated that the corrected minutes would be brought back before the Board for ratification at the next Board meeting.

On a Motion by Ms. Wrenn, seconded by Ms. Wisdom, with all in favor, the Board approved the Minutes of the Board of Supervisors' Meeting held on April 17, 2007 (as corrected) for Harbor Bay Community Development District.

FIFTH ORDER OF BUSINESS

**Consideration of Operation and
Maintenance Expenditures for May**

Ms. Wells stated that the next order of business was the consideration of the Operation and Maintenance Expenditures for May. She stated that the expenditures for the period of April 1-30, 2007 totaled \$390,060.75. Ms. Wells stated that on the fourth page of the Paid Operations and Maintenance Expenses report, two payments are listed to US Bank Operations Center for Debt Service Payments for Series 2001 and Series 2002. Ms. Wells stated that previously, when funds were received from the Tax Collector, the Debt Service portion was sent to the Trustee via wire transfer; however, now a check is required in order to provide a paper trail. Ms. Wells stated that the check that is received from the Tax Collector is now deposited into the Operations and Maintenance Account and then in turn payment is made to the Trustee.

A question was asked as to the reason for the large number of payments to Lee Te Kim Lawn Care, Inc. Ms. Wells stated that company held a number of their invoices for several months.

A question was asked as to whether attempts would be made to have the expenditures for replacing the gate arms reimbursed by the individuals responsible for the damage, now that the camera systems are installed. Ms. Wells stated that Ms. Lose would address that matter under Staff Reports.

Ms. Wells asked if there were any further questions. There were none.

On a Motion by Mr. Jones, seconded by Ms. Ackerman, with all in favor, the Board approved the Operation and Maintenance Expenditures for May (\$390,060.75) for Harbor Bay Community Development District.

SIXTH ORDER OF BUSINESS

**Consideration of Series 20020
Construction Requisitions #445-#456**

Ms. Wells stated that the next order of business was the consideration of the Series 2002 Construction Requisitions #445-#456. Ms. Wells asked if there were any comments or questions.

A question was asked as to whether the payment of Requisition #454 to Royce Parking Control Systems, Inc. for final payment of the original contract amount can be held until everything is working properly. It was stated that Royce Parking Control Systems, Inc. has two outstanding proposals for additional work within the District; therefore, it was felt that it was not necessary to hold back the payment. It was also stated that since Mira Bay is potentially such a good customer for Royce Parking Control Systems, Inc., that they would resolve the situation at the boat lift expeditiously.

Ms. Wells pointed out that some of the requisitions have been approved by Scott Jones and some have been approved by Chris Coughlin, depending on the date, and who was Chairman at the time. Ms. Wells asked if there were any further questions or comments. There were none. Ms. Wells asked for a motion to approve.

On a Motion by Mr. Jones, seconded by Ms. Wrenn, with all in favor, the Board approved the Series 2002 Construction Requisitions #445-#456 for Harbor Bay Community Development District.

SEVENTH ORDER OF BUSINESS

Consideration of Change Order #5

Ms. Wells stated that the next item on the agenda would be the consideration of Change Order #5. Ms. Wells asked Mr. Coughlin to review Change Order #5 for the Board.

Mr. Coughlin stated that Change Order #5 is for additional fill needed to replace unsuitable material discovered in Sump CB which was not readily notable at the time of the bid when the original change order was presented. Mr. Coughlin stated that the amount is in line with the contract pricing. Mr. Coughlin stated that all bond proceeds have been expended at this point, and any future capital improvements will be funded by the Developer to the CDD.

Ms. Wells asked if there were any questions. There were none.

On a Motion by Mr. Jones, seconded by Ms. Ackerman, with all in favor, the Board approved Change Order #5 for Harbor Bay Community Development District.

EIGHTH ORDER OF BUSINESS

Update Regarding Bond Refinancing

Ms. Wells stated that the next item on the agenda was an update from the Investment Banker in regards to bond refinancing.

Mr. Draper stated that, as requested by the Board at the previous meeting, the Investment Banker has procured a rating and an insurance commitment. Mr. Draper stated that the District did receive a low investment rate. Mr. Draper stated that a commitment has been received from Radian, which is an AA insurer, to provide an insurance policy for the District. Mr. Draper stated that a written report will be provided to the Board in the future.

Mr. Draper stated that a concern of the insurers is the fact that there are seventeen lots with B Bonds that are still builder/developer owned. Mr. Draper stated that the District may want to consider waiting until those lots are absorbed and the B Bonds extinguished; or proceed now with somewhat limited options. Mr. Draper stated that he would provide more details at the next Board meeting.

A statement was made that the B Bonds are the short-term debt that is put on the lots and paid off by the Developer and Builder at the time of the closing; the homeowners are only paying the A Bonds.

Ms. Wells asked if the Board should proceed with securing a Financial Advisor in order to facilitate moving forward with the bonds. It was stated that was correct, and that the Financial Advisor would prepare an Assessment Methodology that would specify how the new debt would be allocated.

It was stated that it would be beneficial to have Prager Sealy & Co., LLC continue to move forward in the interest of timing. It was requested that Prager Sealy & Co., LLC advise the Developer of the amount of the B Bonds on the seventeen lots and the potential impact.

Ms. Wells stated that she has an Investment Banker Agreement prepared. She asked if the Board would like to make a motion to authorize the Chairman or Vice Chairman to sign the agreement when ready. Mr. Draper stated that there is no risk to the Board in signing the agreement because Prager Sealy & Co., LLC will only be paid if the deal closes.

On a Motion by Ms. Ackerman, seconded by Ms. Wisdom, with all in favor, the Board authorized the Chairman or Vice Chairman to execute the Investment Banker Agreement on behalf of Harbor Bay Community Development District.

NINTH ORDER OF BUSINESS

Staff Reports

A. District Counsel
No report.

B. District Engineer

Mr. Scarola provided an update on the sea wall whaler installations. He stated that the past report was that there was approximately 280 feet left; currently approximately 50 feet remain to be completed.

Mr. Scarola stated that Hecker Marine Construction has performed a general inventory of the wall for exposure height in response to a letter that the District received from the Design Engineer. He stated that the walls that have the most exposure height have been completed, but some decisions will have to be made regarding continuing whaler installation. Mr. Scarola stated that he believes that there should be consideration regarding approximately an additional 2,500 feet in the near future. Mr. Scarola stated that if it is possible, it would be best to have Hecker Marine Construction continue with that installation, rather than have to remobilize at a later date.

Mr. Scarola stated that in the future, the District will have to monitor the issue of dredging and maintenance of the canal bottoms. Mr. Scarola stated that he has been in communication with Moffit and Nickle, the marine engineering firm, about this matter and that at the next meeting he can present a formal proposal from Moffit and Nickle, if that is the wish of the Board.

Mr. Coughlin stated that from the Developer's viewpoint, the first bathymetry study was money well spent and probably should be continued from a longevity standpoint. Mr. Coughlin stated that the appropriate interval between studies is in question, but his recommendation would be for an annual bathymetry study.

Mr. Scarola stated that another bathymetry study will help the District plan for the future. It was stated that the study would probably be an Operations and Maintenance expense. Ms. Wells stated that she would research the threshold amount as to whether it would be necessary to solicit bids through the RFP process.

Ms. Wells asked the Board for a motion to authorize the District Engineer to request a proposal for a bathymetric study from Moffit and Nickle.

On a Motion by Mr. Jones, seconded by Ms. Wrenn, with all in favor, the Board authorized the District Engineer to request a proposal for a bathymetric study from Moffit and Nickle for Harbor Bay Community Development District.

Mr. Scarola asked for a decision from the Board as to the whaler. Discussion ensued.

Mr. Coughlin asked the Board to consider a motion to authorize a change order to the Hecker Marine Construction contract to add up to an additional 1,000 feet of whalers in locations to be determined by the Chairman and the District Engineer in accordance with the designer's design for the whaler.

On a Motion by Mr. Jones, seconded by Ms. Wisdom, with all in favor, the Board authorized a change order to the Hecker Marine Construction contract to add up to an additional 1,000 feet of whalers in locations to be determined by the Chairman and the District Engineer in accordance with the designer's design for the whaler for Harbor Bay Community Development District.

Mr. Scarola stated that he would keep the Board updated on the status of the whalers.

Mr. Scarola reminded the Board that the Southwest Florida Water Management District (SWFWMD) certifications and completion of rear-yard swales is still outstanding. Mr. Scarola stated that there cannot be an acceptable bi-annual certification until those issues are taken care of. Mr. Scarola asked to be advised when the work is completed.

Ms. Wells stated that she had been in communication with SWFWMD concerning this matter. Ms. Wells asked the Project Manager and District Engineer to discuss this matter and keep her informed. Ms. Wells stated that she would report back to the Board next month and SWFWMD when the District Engineer is ready.

C. Project Manager

Mr. Coughlin stated that he has been having discussions with the HOA Manager concerning the Rover service. Mr. Coughlin stated that the HOA Attorney has also communicated with District Counsel as to what the Rover service is able to do in the way of enforcement on the streets that are owned and maintained by the Harbor Bay CDD. Mr. Coughlin stated that there has been discussion with some residents as to public streets versus private streets. Mr. Coughlin stated that Hillsborough County had sent a letter to the District stating that the streets are private, which is incorrect. Mr. Coughlin stated that he believes that confusion has been cleared up. Mr. Coughlin stated that since a public entity owns and maintains the streets, those facilities are considered public.

Ms. Wells stated that it would be a good idea to get a letter from the County to that effect changing their statement.

Mr. Coughlin stated that when the Board made the decision to switch from off-duty officers to the Rover service, it gave a benefit to the community of more hourly coverage based on the current budget, allowing for seven days per week; twelve hours per day, versus four days per week, six hours per day.

Mr. Coughlin stated that the drawback with the Rover service is the lack of enforcement ability.

Ms. Wells stated that she and Ms. Lose had put together a list of the Rover service's responsibilities. Ms. Lose stated that this is a preliminary list and has not yet been reviewed by District Counsel or HOA Counsel. Ms. Lose asked the Board to review the list for discussion at next month's meeting.

An audience member asked a question as to whether the fact that a CDD has no enforcement authority could only be changed by a revision to the Florida Statutes. Mr. Brooks stated that was correct.

An audience member asked for a draft copy of the list of responsibilities. Ms. Wells stated that a draft copy will be provided to residents. Mr. Brooks stated that in addition to being marked a "draft" copy, there should be a statement that the document has not been reviewed or approved by the CDD Board or by counsel. Ms. Wells stated that she would take care of that.

Ms. Wells stated that she would consult with Mr. Jones and Mr. Coughlin as to any revisions to the list of responsibilities; and submit it to District Counsel for review. Ms. Well stated that she would propose the list of Rover's responsibilities at next month's meeting.

Mr. Coughlin stated that he did not have an answer yet on the tennis court light poles. He stated that he hoped to have an answer at next month's meeting with a permanent solution.

Ms. Lose stated that the key pad to turn the tennis court lights on after hours has been installed. Ms. Lose asked how the code would be issued. Mr. Coughlin stated that the Board could probably allow the HOA and CDD Managers to work out a procedure whereby the code would be issued and would be changed approximately twice per year. ~~It was stated that the new system has a sensor to determine when there is no activity on the tennis court, and then the lights are shut off.~~

Mr. Coughlin stated a solution to the problem of the cameras at the boat lift should be resolved very quickly and he would keep Ms. Wells apprised of the situation.

Ms. Wells stated that the next item to be discussed is the matter of speeding. Mr. Coughlin stated that there are several options to limit speed: the streets can be made narrower; the speed limit can be reduced; and/or some of the areas where there are problems with speeding could have double yellow lines painted. Mr. Coughlin stated that speed bumps have been discussed in the past. Ms. Wells stated that traffic studies would have to be performed prior to installing speed bumps.

Mr. Coughlin stated that the double yellow line striping would be an inexpensive and quick first step. Mr. Coughlin suggested that he and Mr. Scarola could do some research on the County's process of traffic calming. Mr. Coughlin stated that speed bumps seem to be more beneficial in reducing cut-through traffic rather than reducing speed. Discussion ensued.

It was stated that the potential solutions include yellow striping; installation of "your speed is" signs; and increased enforcement. It was stated that a traffic study would be expensive and may not provide a solution to the problem.

(Mr. Coughlin and Ms. Hilton left the meeting.)

Ms. Lose asked as to the possibility of installing "slow, children at play" signs near the park and at various other locations.

Mr. Brooks stated that the MUTCD is a governing regulation and he stated that it may not be possible to install such signs without getting prior approval from the Public Works Department. Mr. Brooks stated it would be preferable to pay the Public Works Department to install such signs. Ms. Wells stated that the Board has previously approved purchasing such signs through Operations and Maintenance.

Ms. Wells asked the Board for a motion to authorize the Project Manager, District Engineer and Chairman to move forward with researching traffic calming ideas. Discussion ensued. It was determined to ask the Project Manager and District Engineer to develop a plan and have that plan reviewed and approved by Public Works. It was stated that it would not have to be a formal approval, unless advised by Public Works that a permit is required. Discussion ensued. It was stated that the Board should approve implementation and retaining someone to install signs as necessary.

Ms. Wells asked for a motion to authorize the Project Manager, District Engineer and Chairman to proceed with developing a plan and meeting with the Public Works Department.

On a Motion by Mr. Jones, seconded by Ms. Ackerman, with all in favor, the Board authorized the Project Manager, District Engineer and Chairman to proceed with developing a plan and meeting with the Public Works Department for Harbor Bay Community Development District.

An audience member stated that boat speeding is also a problem. Mr. Scarola stated that potential damage from boat speeding relates to the need for the whalers and the bathymetry study. Discussion ensued. A second audience member stated that she believed that part of the problem is non-residents using the facilities.

Ms. Wells asked Mr. Scarola if he could prepare a brief paragraph as to how speeding ultimately results in greater costs for the District, as well as guidelines for distribution. Mr. Scarola stated that he would do that. Discussion ensued. An audience member suggested that, as well as distributing guidelines via mail, email and the website, flyers could be handed out at the gatehouse, so that visitors receive the information as well as residents. Ms. Wells stated that perhaps a week-long campaign should be held to inform people that "speeding costs money" on the roads and the water.

Ms. Johnson stated that the electronic equipment in the fitness center is aging and she wasn't sure of the warranty period. She stated that may be a future capital expense for the CDD. Ms. Wells asked Ms. Johnson to report on the warranty period to the Board. Ms. Wells stated that she would be discussing items for the proposed budget next month with Mr. Jones, Mr. Coughlin, and Ms. Johnson.

D. HOA Manager

Ms. Lose stated that the pool was fixed; there were major problems with the pump, although it did not have to be replaced. Ms. Lose stated that the heaters were being fired up today and everything should be in order. Ms. Lose stated that the chairs have been ordered and will be ready for pick-up by June 5th. She stated that the District will be saving almost \$500 in shipping fees by picking up the chairs. Ms. Lose stated that she would like to place some signs on the gates in order to redirect traffic for the pool. Ms. Wells stated that was a good idea and a motion would not be needed.

Ms. Lose stated that some tennis players are questioning advertisements that our courts are Har-Tru® courts, when they are actually hard courts. Ms. Lose stated that they are asking for a clay court or Har-Tru® court to be installed. Ms. Wells stated that she had previously discussed this matter with Mr. Coughlin, who stated that the courts are Har-Tru®.

Ms. Wells suggested that Ms. Lose discuss this matter with Mr. Coughlin. Ms. Wells stated that the installation of clay courts would be very costly and had never been contemplated by the CDD.

Ms. Lose stated that the tennis players are also questioning the fee to rent the ball machine. Ms. Johnson stated that in her experience, charging for the ball machine rental is standard at other clubs.

E. District Manager

Ms. Wells stated that as of March 31, 2007, the District is slightly over budget, by approximately four percent. Ms. Wells stated that she will be working on the Fiscal Year 2007/2008 Proposed Budget with Mr. Jones and will present it to the Board at the June meeting. Ms. Wells stated that after the Board approves the Proposed Budget, then, as required by Florida Statute, the approved Proposed Budget will be submitted to the County for comments. Ms. Wells stated that although there is not a TRIM notice in Hillsborough County, it might be a good idea to start building a reserve for the community.

Mr. Brooks stated that the adopting the Proposed Budget will commence the public hearing process and thereafter, the Board will adopt a Final Budget.

Ms. Wells stated that the date of the August Board meeting may have to be changed in order to allow for the sixty-day requirement period.

Ms. Wells stated that the next meeting is scheduled for June 19, 2007 at 9:00 a.m. at the Mira Bay Clubhouse, the Lagoon Room, located at 107 Manns Harbor Drive, Apollo Beach, Florida 33572.

TENTH ORDER OF BUSINESS

**Supervisor Requests and Audience
Comments**

Ms. Wells stated the next item on the agenda is Supervisor requests and audience comments.

An audience member stated that the Compliance/Rules Committee and the Advisory Committee have requested information as to whether the CDD owns the roads. Ms. Wells stated that the roads are public roads. The audience member asked if the facilities are private. Ms. Wells stated that the facilities are public; however there is a policy that has been adopted by the Board, that anyone who is a non-resident must pay an average of the CDD Debt Service and Operation and Maintenance costs for the use of the facility, plus a fifteen percent surcharge. The audience member asked Ms. Wells if the Board has adopted any other rules that would allow non-residents to use facilities without paying the fee. Ms. Wells stated that non-residents have to pay the CDD non-resident user fee in order to use the amenities.

The audience member asked whether staff members, such as the tennis pro or nail technicians, are able to allow non-residents to use the CDD facilities without paying the non-resident user fee. Ms. Johnson stated that her understanding was that in order to keep staff available and to have the amenities available, non-residents can come in and take tennis lessons, etc.; however all payment had to go through the reception desk. Ms. Johnson stated that staff members such as the tennis pro, the masseuse, and nail technicians are not allowed to collect fees independently.

Ms. Wells stated that the CDD is a not-for-profit organization. Ms. Wells asked Ms. Johnson to check with the account representative as to the current policy and whether allowing non-residents to use the facilities was subsidizing payroll. Ms. Wells asked Ms. Johnson what percentage of clients are residents versus non-residents. Ms. Johnson stated that she was not sure of exact percentages, but it was overwhelmingly residents who are using the services. The audience member stated that an advertisement had also been run for a mother-daughter luncheon inviting non-residents. Ms. Johnson stated that she was not aware of the mother-daughter luncheon advertisement. Ms. Wells stated that outside advertising is not allowed.

Ms. Johnson stated that, based on a discussion that she previously had with Mr. Coughlin and Ms. Hilton, it is her understanding that part of the Newland marketing/development plan for the community was to have resort-style living in terms of having amenities and staff available. Ms. Johnson stated that it has been difficult to maintain staff due to Apollo Beach being somewhat remote. Ms. Johnson stated that unadvertised amenities that are paid for by non-residents were allowed to be available in order to maintain payroll and staffing.

Ms. Wells stated to the audience member that this exact issue has not been addressed in the past. The audience member asked whether allowing non-residents to use certain facilities without paying the non-resident user fee has created an exception to the rule without the Board having voted on it. The audience member asked if that activity could be stopped until clarified. Ms. Wells stated that the current policy may need to be reviewed and amended. Mr. Jones stated that a legal opinion should be obtained on the matter. Mr. Jones stated that those answers will be presented at next month's meeting to enable the Board to make an informed decision; however, nothing would be changed in the meantime, so as not to affect payroll. Ms. Wells thanked the audience member for bringing the matter to the Board's attention.

(Ms. Wells stated that Mr. Brooks had previously left the meeting.)

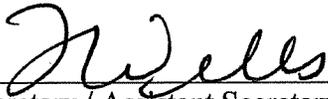
~~Ms. Lose asked for discussion of how to charge for the replacement of damaged gates to be placed on next month's agenda.~~

Ms. Wells asked if there were any other audience comments. There were none. Ms. Wells asked if there were any Supervisors requests. There were none.

ELEVENTH ORDER OF BUSINESS Adjournment

Ms. Wells stated that there were no further agenda items to come before the Board and asked for a motion to adjourn.

On a Motion by Mr. Jones, seconded by Ms. Wrenn, with all in favor, the Board adjourned the meeting at 11:00 a.m. for Harbor Bay Community Development District.



Secretary / Assistant Secretary



Chairman / Vice Chairman
