

DISCOVERY BAY CITY OWNERS' COMMITTEE
Minutes of Meeting No.4 2014-15 Held on 22 July 2015
7:30pm at MPH, Discovery Bay Office Centre

Members Present:

Mr.	Simon Mawdsley	(SM)	Chairman, COC & Midvale VOC
Ms.	Amy Yung	(AY)	Chairlady, Beach VOC
Mr.	Rene Buts	(RB)	Vice-Chairman, Greenvale VOC
Mr.	Colin Bosher	(CB)	Chairman, La Vista VOC
Mrs.	Maggie Chan	(MC)	Chairlady, Neo Horizon VOC
Mr.	Darren Barton	(DRB)	Chairman, Parkridge VOC
Mr.	Alan Macdonald	(AM)	Vice-Chairman, Peninsula VOC
Dr.	Francis Chiu	(FC)	Chairman, Siena Two B VOC
Mr.	Kent Rossiter	(KR)	Chairman, La Costa VOC
Mr.	Edwin Rainbow	(ER)	Chairman, Hillgrove VOC
Mr.	Tony Cheng	(TC)	Representative, Registered Owner
Ms.	Elena Cheung	(EC)	Representative, Hotel
Mr.	W.S. Yau	(WSY)	Senior Manager, Contract Mgt. and Works, DBSML
Mr.	F.K. Wong	(FKW)	Chief Manager, Estate, DBSML

Apologies:

Mr.	James Heathe	(JH)	Chairman, Chianti VOC
Dr.	Jennie Lee	(JL)	Chairlady, DB Plaza VOC
Mr.	Eddy Shen	(ES)	Chairman, Headland VOC
Mr.	Kenneth Bradley	(KB)	Vice-Chairman, Parkvale VOC
Mrs.	Alison Dack	(AD)	Chairlady, Siena One VOC
Mr.	David Kwok	(DK)	Chairman, Amalfi VOC
Ms.	Alberta Ng	(AN)	Representative, Registered Owner
Mr.	Carl Chan	(CC)	Representative, Clubs
Mr.	Paul Tough	(PT)	Representative, School
Mr.	Vincent Chua	(CKC)	Director, DBSML
	Champion Associates Ltd.	(CAL)	Chairman, Bijou Hamlet VOC

Secretary:

Mr. Kenneth Chan	(CYY)	Senior Manager, Estate, DBSML
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Assistant to Secretary:

Ms. Key Lam	(KL)	Asst. Manager, CR & Admin, DBSML
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Staff of City Management:

Mr.	Wilson Chan	Manager, Estate, DBSML
Mr.	G. H. Koo	Manager, Estate, DBSML
Mr.	Alan Mak	Manager, Estate, DBSML
Mr.	Daniel Ma	Manager, Estate, DBSML
Mr.	Kenneth Kan	Manager, Estate, DBSML
Mr.	Kelvin Siu	Assistant Manager, Estate, DBSML
Mr.	Rudy Lai	Assistant Manager, Estate, DBSML

Observers:

Mr.	Vic Riley	Owner, Midvale
Mr.	Robert Tsui	Owner, Greenvale

The Meeting was declared duly convened with the necessary quorum of members present.

1	Apologies	19:30
1.1	CYY informed members that apologies had been received from JL of DB Plaza, BH of Peninsula, DK of Almalfi, ES of Headland and CKC of CM.	
2	Burglary Case - Presentation of Certificates	
2.1	CYY commended the following CM staff members and security personnel of SINO on their hard work, which culminated in the arrest of several burglars. SM thanked and presented award to them: Mr. Chan Chun Kau, Mr. Leung Ka Chun, Mr. Chin Kwok On, Mr. Yip Chun Fat, Mr. Kam Kin Wang, Mr. Singh Saranjeet, and Mr. Wong Lai Cheung.	
3	Confirmation of the Minutes of Previous Meeting (COC Meeting No.3 – 2014/2015)	
3.1	SM stated that comments had been received from AY and that they had been incorporated into the minutes. As there were no further comments from members, the minutes were confirmed.	
4	Matters Arising	19:43
4.1	Interest Arising From Overdue Payments Payable by HKR from 2009/10 to 2013/14. (COC Paper 492/15)	
4.1.1	FKW said that although the resolution requesting CM to produce an aging analysis was not carried at the last COC meeting, CM had sought legal advice on the matter. The lawyer advised that CM was not obliged to produce an aging analysis.	
4.1.2	AY stated that she was not convinced by this legal advice as she considered that the advice was biased towards the party which engaged the solicitor. She tabled a document which listed 'Related Party Transactions – accounts receivable' and 'Debtors, other receivables, deposits and prepayments (Non-related Parties)'. She said that the number of days for repayment for the Related Party Transactions ranged from 80-120, whereas the number for Non-related Parties was between 25-37. She asked FKW if there was preferential treatment given to certain related parties.	
4.1.3	FKW asked AY to put her queries to the legal advice in writing.	
4.1.4	ER requested for it to be recorded in the meeting minutes that the resolution for an aging analysis was defeated by a poll vote at the last meeting.	
4.1.5	FC asked if it were possible to ask KPMG to produce a report for the committee.	
4.1.6	AY stated that she did not find KPMG reliable when it came to these matters, and that she would not trust their findings. She would formulate a list of questions and queries for KPMG, and asked members to forward their questions to her if they have any. After discussion, the letter to be prepared	

	by AY would be signed by SM on and for behalf of the Committee.	
4.2	Follow up with the Allocation of Management Units and Undivided Shares to DBN Commercial Properties including Hotel Auberge (COC Paper 488/15 & COC Paper 489/15)	20:02
4.2.1	FKW tabled a copy of an email from the auditor of KPMG, showing that the auditor had noted comments from an ex-member and that where required, the auditor would take them into account during the audit.	
4.3	Update on Lands Department's Investigation on Complaint Related to Inclined Lift	20:04
4.3.1	TC stated that HKR had replied to the District Lands Office (DLO) concerning the complaint, and that DLO had no further concern about this matter. RB said that it was his understanding that DLO was still investigating the complaint.	
4.3.2	AY stated that she had requested several times in the past the issue of open space near Club Siena including the basketball court, playground and the tennis court to be followed by the Sports and Leisure Sub-Committee but so far there had been no response. SM agreed to discuss it in the next Sub-Committee meeting.	
4.4	Update of the Recycling Plan for Abandoned Bicycles, as Proposed by Crossroads Foundation	20:06
4.4.1	CYY reported on his joint visit with members to the Crossroads Foundation (Crossroads) to better understand the project on 16 July. He explained that Crossroads had 44 acres of land leased from the government, with over 1000 volunteers working in their 14 processing departments, as well as a fair trade café. Crossroads took good quality goods, donated by businesses and private donors, and repaired or recycled them before sending them to those in needs. Its 'Bike Refurbishment Program' involved a small group of volunteers repairing between 70-90 bikes each year. CYY considered that DB could help the foundation with storage area, transportation, casual labour and appeal to residents for donations. Also, DB might help in 3 other projects of Crossroads: electrical items, clothes and toys as well as household furniture.	
4.4.2	SM asked what the next step for helping Crossroads would be. CYY replied that CM had offered Crossroads a booth at the September Flea Market so that it could promote its cause and recruit volunteers. In the meantime, CM would check the stock of abandoned bicycles to ascertain how many of them could be donated to Crossroads.	
4.4.3	In response to SM's suggestion, FC said that the Environmental Protection Sub-Committee would be happy to take up this meaningful project.	
4.5	Follow up on Amateur Musicians' Request for a Place in DB for Rehearsal on a Regular Basis	
4.5.1	CYY reported that they had checked with HKR and they had confirmed that	

	the musicians could practise in the Multi Purpose Hall of DB Office Centre. On the musicians' further request for provision of musical instruments for their practice, CYY had approached Discovery College (DC). However, DC declined to entertain the request due to damage of their musical instruments by non students in the past.	
5	CM Report	20:22
5.1	Upcoming Tenders	
5.1.1	WSY reported that the 'Maintenance of Inclined Lifts' tender analysis was in progress, at an estimated cost of \$34,000 per month. The 'PM Services for Consultancy Review of Road System and Utilities' tender was pending COC's review of consultancy scope at next meeting. The 'Replacement of Malfunctioning Modulating Float Valve in Potable Water Pumping Station at Siu Ho Wan' tender would be discussed after Item 7.1. The 'High Pressure Jetting Services' tender analysis and the 'Scaffolding Work in Villages/City Areas' tender were also in progress.	
5.1.2	WSY then explained that CM would invite bidders for two tenders in August: (a) 'Replacement of Activated Carbon Media in Sewage Pumping Station No 2 & 3' with an estimated cost of \$180,000 per year; and (b) 'Localized Repair to Discovery Bay Road' with an estimated cost was \$3,000,000.	
5.2	Test of Potable Water for Lead Content	
5.2.1	WSY reported that in response to a request made by FC on 12 July, CM had invited quotations from accredited laboratories to test the potable water in all villages in DB for lead content. The technician from the laboratory charging the lowest fee (\$320 per collection point) would come to DB to collect water samples on coming Friday. The test results would be known within one week.	
5.2.2	AY said that she had sent water samples to the Hong Kong Productivity Council for testing and the results for ten samples would be known very soon. She queried the high fee charged by the laboratory hired by CM as she only needed to pay \$250 for each sample. In response to WSY's question, AY said that the water samples were collected from different villages by herself and she knew the instructions on how to do so.	
5.2.3	In view of the manner AY's samples were collected and the limited number of samples as well as to mitigate contamination of sampling done by non-professional party, CM would proceed with the test of potable water from all villages by the accredited laboratory charging the lowest fee.	
5.3	COC Papers Endorsed (COC Paper 487/15)	
5.3.1	WSY reported that no member had raised objection to the COC paper T1169/15 'Tender for Insurance 2015-2016' and the contract was awarded accordingly.	
5.4	Community Events & Update on Other Services	
5.4.1	CYY raised concern on the performance of security service contractor SINO.	

	As of July 15 th , there were 408 under-ranked staff members, equating to 26.2%, which exceeded the 25% limit which would trigger penalty for SINO. He also reported the late salary payment to part time guards in the first month by SINO. Since it was caused by an error in SINO's payroll programme, he believed that the error could be rectified easily.	
5.4.2	CYY showed members pictures of the surveillance operations at Headland. There were over 30 cameras transmitting real time images to the local management office, and they were monitored round the clock by security guards. He urged members to consider upgrading or installing more CCTVs in their villages as they had been proven very effective in helping security guards and the police in making arrests. He also highlighted the importance of residents' alertness and assistance to the security guards in combatting crimes.	
5.4.3	CYY highlighted the success of the 2015 Dragon Boat Races. The total income from the races amounted to \$583,700 which was considerably higher than the estimated \$556,000, whereas the expenses were \$20,000 less than the estimate. He added that CM planned to buy the 9th dragon boat by using 15% of the entrance fees for the 2016 and 2017 races.	
5.4.4	CYY then reported on the arrangements for the upcoming Flea Market on 20 September. For the Flea Market on 17 January 2016 and thereafter, booths would be reserved by phone bookings to the CM office to save the queuing time for residents. Allocation would be determined by drawing lots. The rental would be increased to \$200 and a refundable deposit of \$500 would be introduced.	
5.4.5	RB asked about local repair of road. AM pointed out deficiency around manhole covers and junction of DB Road & Valley Road. He suggested to walk through with CM. WSY explained the budgeted repair work on some sections of DB Road will not just resurfacing but down to subbase so that the same wouldn't be abortive when the whole DB Road to be re-built later. AM supported this approach. CYY further clarified that the estimate of local road repair for this financial year would be \$3m. In response to AM's request for the road repair at Coastline Villa, RB commented that the road was within Peninsula Village and should be dealt with at village level.	
5.4.6	CB asked whether road system review had already started. WSY clarified that the review was pending until the consultancy scope to be reviewed by COC at next meeting.	
5.4.7	RB reminded CYY he had requested at the last meeting that the slides of the tenders should be included in the COC Paper that was given. CYY replied that he would try.	
6	COC Sub-Committees / Working Groups	
6.1	Finance Sub-Committee (FSC) Report (COC Paper 491/15)	
6.1.1	MC reported on the following items: <ul style="list-style-type: none"> - External vouchers of Recycling Day to be provided by CM for verification. - Members supported to have a loss adjustor to tackle the long outstanding insurance claim cases, subject to a reasonable service 	

	<p>charge.</p> <ul style="list-style-type: none"> - The definition of “inclined lift”, with reference to the Principal Deed, would automatically refer to “City Common Facility” used by all owners after clarification with HKR. - FKW had sent the reply of CKC in addressing the Open Letter of Andrew Burns regarding management units. - A detailed breakdown of percentage contribution to City expenses had been provided upon RB’s request. - FKW had confirmed the budget had been prepared in compliance with the BMO and the Principal Deed for budget-making process in Discovery Bay. 	
6.1.2	SM asked if FSC wanted COC to accept the two different versions of its meeting minutes. FC replied in the positive, explaining that it was due to members’ different recollection of the deliberation made at the previous FSC meeting. It should not happen again because CM would arrange audio recording for future FSC meetings.	
6.1.3	AY stated that Mr. Nigel Reid had suggested lectures to be conducted for new COC members to better understand the Principal Deed, Sub-Deed and BMO. She asked whether COC should implement this idea.	
6.1.4	FKW has reservation on this suggestion as even with the legal advice on interpretation of DMC, there were still arguments and sometimes regarded as bias among members at COC meetings and there would be a liability issue if some lectures were found incorrect in future. FC also stated that any particular lecturer might not be acceptable to all members.	
6.1.5	AY responded that the lecture could start with the Home Office with a disclaimer on liability. SM asked AY to formulate a proposal first for members to discuss and/or vote in the next COC meeting if she wants to pursue the matter	
6.2	Environmental Protection Sub-Committee (EPSC) Report	21:04
6.2.1	FC reported that most members were away due to the summer vacation. Regarding the paperless meeting initiative, some members were concerned with how to accommodate the few members who still needed to rely on paper documents.	
6.2.2	AY said that she had asked CM to start sending information via email, but she had been waiting for a reply for over 6 months.	
6.2.3	FC agreed with AY, saying that if VOC chairs asked CM to change their methods for circulating sending paper documents, CM should do so. He said that the COC should carry on moving towards paperless meeting.	
6.3	Sports and Leisure Sub-Committee (SLSC) Report	
6.3.1	SM reported that the upgrading works for the sports area near Discovery College (DC) had been completed. The area provided facilities for rugby and netball. Residents could book the area free of charge through DC.	
6.3.2	CYY supplemented that the free sessions offered in the Sports Pitch are	

	mostly occupied by the users who have booked the session before the free period. Since the new sport area offers the same, he suggested cancelling the free session.	
6.3.3	SM updated members on his investigation on the school site in Area 4A. He had spoken to the Catholic Diocesan of Hong Kong, Education Bureau and the Lands Department. He was given the understanding that there was no plan to build the school in the near future. Hence, there could be chance to use the site for other purposes on a temporary basis. SLSC would explore the possible temporary uses and draw up a proposal with estimated cost for COC's consideration in December. SM urged members to let him know if they have any ideas on other available spaces in DB which might be suitable for future projects.	
6.4	Security Liaison Group (SLG) Report	21:19
6.4.1	FC reported that the police had already arrested 7 people for burglaries during the year. He said that this was a huge improvement from previous years, and attributed this largely to the installation of more and better CCTV cameras. Turning to telephone fraud cases, he stressed that it was vital that residents were aware of the advice given in the Police leaflets.	
6.4.2	FC brought up for discussion the concern of a COC member on a notice to residents signed jointly by SM and FC following a recent burglary case. ER said that he was the member who raised the concern because CM's letterhead was used. He said that it didn't look right and it could be used in a fraudulent way.	
6.4.3	AY commented that the notice should be issued under COC letterhead after circulation to all COC members. She said that most companies were very strict on the use of company letterhead.	
6.4.4	SM stated that he had not seen any problem with this in the past and it had been the same practise throughout all his time in the COC and VOC. He added that it was difficult to fake the signatures in the notice. In this case, the notice in question was merely informational and could hardly be used in a fraudulent way. CM undertook to look into ER's concern.	
6.5	Senior Citizens Working Group (SCWG) Report (COC Paper 490/15)	21:35
6.5.1	The paper was taken as read.	
6.6	Rehabus Working Group (RBWG) Report	
6.6.1	CB stated that he had nothing new to report.	
6.6.2	CYY asked CB if he had followed up on the request for an audit report made by Kenneth Bradley at the 11 March meeting. CB replied that no audit had been conducted as it would cost \$10,000 to do so, adding that RBWG would do so if required by COC. TC pointed out that it was one of the requirements set out in the MOU signed between CM and the Hong Kong Society for Rehabilitation. Hence, RBWG should conduct an audit accordingly.	

6.6.3	AY commented that COC members and Rehabus Working Group people were aiming to do something good for the community and she didn't expect and regretted to have lots of pressure growing in such a disproportional way from certain people. The auditor would evaluate the risk, the money involved and whether there was a very high risk for misappropriation of fund when conducting audit.	
6.6.4	CB asked whether other members considered that an audit report should be conducted. SM stated that he remembered from the discussion with Kenneth Bradley that there was an audit requirement in the MOU.	
6.6.5	TC reiterated his view on the need for an audit. He also wanted to put on record again that in response to the request made by a former COC member Ms Deborah Wan, the tunnel company had been waiving the tunnel fee for the rehabus. Given that some members always stressed the need for complying with rules and regulations strictly, TC doubted whether this was another example of double standards adopted by these members.	
7	Items for Discussion	
7.1	Contract Award of the Modulating Float Valve Replacement at Siu Ho Wan Pumping Station (COC Paper T1176/15)	
7.1.1	WSY stated that the lowest quote for the work was \$198,000 from the Wenden Engineering Service Co. Ltd. He explained that they were proposing to award the contract to Wenden Engineering Service Co. Ltd.	
7.1.2	RB said the work would take place outside DB, it should not be paid by DB owners. WSY stressed that the work should be paid by DB owners as the pumping station were only serving DB. FKW emphasized that as stated before, the pumping station was serving DB as a whole and therefore it was regarded as City Common Areas/Facilities.	
7.1.3	AY warned members not to endorse the work as they could be held liable for approving work which should not be paid by DB owners. FKW responded that there was a disclaimer clause in the Principal Deed to protect Members as long as there was no wilful negligence or dishonesty.	
7.1.4	WSY proposed the replacement proposal and requested for vote. AY queried whether sufficient notice had been given for moving a resolution on the replacement proposal. CM advised that the COC paper seeking COC's consensus had been issued seven days in advance. RB requested to vote by poll but nobody seconded the same.	
7.1.5	<p>WSY proposed the resolution set out in the COC paper and was seconded by TC. The resolution was carried based on the following voting results by show of hands:</p> <p style="padding-left: 40px;">In favour: TC, EC, WSY and FKW Against : Nil Abstain : MC, FC, AM, ER, KR, AY, RB, CB, DRB and SM</p> <p><i>AM was excused after the voting.</i></p>	

7.2	Unhealthy Beach, Rubbish Bins, Dogs, and Rats	21:52
7.2.1	AY reported that after the last Beach Festival, there was a large amount of mess, which attracted animals and looked unhealthy. She asked HKR if they would have any measures to prevent these unwanted circumstances from happening again at the next Beach Festival.	
7.2.2	CYY explained that he had relayed the message to HKR and they have instructed Winson Cleaning Company to make sure they would empty the rubbish bins more frequently during the Beach Festival, as well as contacting Centurion Security to make sure their security guards would check the area more frequently during the event day.	
7.2.3	CB recalled that, in 2008, when he was the newly elected COC Chairman, CM had tabled a paper and advised members that Tai Pak Beach urgently needed re-sanding. He said that "Re-sanding" was defined as bringing new sand, approximately 80 tonnes, and not mere re-leveling of the existing sand. CB said that the re-sanding never took place, because COC members objected on principle to paying for the maintenance of the beach, saying that members believed then that it should have been charged to the account of HKR.	
7.2.4	FKW said that CB's recall might not be correct, as CM asked for the beach to be re-levelled.	
7.2.5	CB disagreed, and asked that his points be recorded.	
8	Date of Next Meeting - 7 October 2015. The meeting was adjourned at 22:00 hours.	

Chairman