

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

266 Seacombe Road, Seacliff Park, SA 5049

P: 0407 717 368

E: davidehitchcock@bigpond.com

W: www.gawler.sa.gov.au/grfma

Dear Member,

NOTICE OF SPECIAL MEETING

Notice is hereby given pursuant to Clause 6.3 of the Charter that a Special Meeting for the GRFMA Board has been called for:

DATE: Monday 27 September
TIME: 12:00pm
PLACE: City of Playford Civic Centre
10 Playford Boulevard, Elizabeth

The purpose of this Special Meeting is to consider:

1. GRFMA Technical Assessment Panel recommendation of a preferred tender for repairs to the Bruce Eastick North Para Flood Mitigation Dam.
2. Establishment of finance (loan funds) to facilitate dam repairs as identified in item 1.



David E Hitchcock

EXECUTIVE OFFICER



The Barossa Council

Gawler



AGENDA

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY BOARD

SPECIAL MEETING

12:00pm Monday 27 September 2021

1. Meeting of the Board

- 1.1 Welcome by the GRFMA Chairperson
- 1.2 Present (please indicate attendance on the attendance record)
- 1.3 Apologies
- 1.4 Appointment of Observers
- 1.5 Declarations of Interest

2. Confidential

- 2.1 Preferred Tender for Repairs to the Bruce Eastick North Para
Flood Mitigation Dam..... Page 3

3. Finance

- 3.1 Establishment of Finance (Loan Funds) to Facilitate
Dam Repairs..... Page 5

4. Closure

Agenda Item:	2.1 Confidential
Committee:	Board – Special Meeting
Meeting Date:	27 September 2021
Title:	Preferred Tender for Repairs to the Bruce Eastick North Para Flood Mitigation Dam

Recommendation:

That:

- 1. Pursuant to Section 90(2) of the Local Government Act 1999, an Order is made that the public be excluded from attendance at the meeting, with the exception of:**
 - Executive Officer; and**
 - Observers**

in order to consider in confidence agenda item 2.1 pursuant to Section 90(3)(k) of the Local Government Act 1999 on the basis of : tenders for the supply of goods, the provision of services or the carrying out of works.
- 2. This matter is confidential because the information herein provides commercial terms and conditions for Tenders received for Bruce Eastick North Para Flood Mitigation Dam (BENPFM Dam) repairs and would provide advantage to a third party for negotiations regarding the service.**
- 3. On the basis of this information, the principle that meetings of the GRFMA Board should be conducted in a place open to the public has been outweighed in this instance: the Board consider it necessary to consider this matter in confidence.**

Recommendation:

That:

- 1. Pursuant to Section 90(2) and Section 91(7) of the Local Government Act 1999, the GRFMA orders that the following aspects of item 2.1 Technical Assessment Panel - Tenders received for Bruce Eastick North Para Flood Mitigation Dam repairs be kept confidential in accordance with the GRFMA Boards reasons to deal with this item in confidence pursuant to section 90(3) (k) of the Local Government Act 1999:**
 - Minutes of the Technical Assessment Panel**
 - Report for Item 2.1**
 - Attachments relating to deliberations of report 2.1**
- 2. This order shall operate until reviewed and determined as part of the annual review by the Authority in accordance with Section 91(9)(a) of the Local Government Act 1999.**

The GRFMA Board has previously requested the GRFMA Technical Assessment Panel (TAP) to consider how the offer of Tender services, for repairs to the Bruce Eastick North Para Flood Mitigation Dam (BENPFM Dam) meet the scope of works required and to review the recommendations by LGA Procurement in regard to suitability of preferred tender.

Meetings of the TAP were held Monday 5 July 2021 and Wednesday 11 August 2021. Minutes of those Panel meetings and relevant recommendations were previously provided in confidence to the GRFMA.

A further meeting of the TAP was subsequently held 01/09/2021 at which the Panel identified the preferred tender and now recommend endorsement and acceptance by the GRFMA.

On the basis that tenders received contain commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, it is recommended this matter be discussed under Confidential.

Refer Confidential Item 2.1 for further information.

Agenda Item:	3.1
Committee:	Board – Special Meeting
Meeting Date:	27 September 2021
Title:	Establishment of Finance (Loan Funds) to Facilitate Dam Repairs

Recommendation:

That pursuant to clause 3.1.1 of the GRFMA Charter, application be made to the Local Government Finance Authority of SA for provision of a Cash Advance Debenture facility of up to six hundred and fifty thousand dollars (\$650,000) for the purpose of financing repairs to the Bruce Eastick North Para Flood Mitigation Dam.

The 27/09/2021 GRFMA Special Meeting Confidential Item 2.1 facilitates appointment of a preferred tender for a body of repairs to the Bruce Eastick North Para Flood Mitigation Dam.

Subject to adoption of that confidential recommendation suitable financial instruments (debenture loan or advance) will be required to be secured by the GRFMA to enable capacity to fund the proposed works.

GRFMA cash reserves as at 30/6/2021 of \$169,344 are not sufficient to meet cost of the proposed works.

Of the \$169,344 cash reserves the amount of \$90,090 is attributed to unspent previous budget allocations for repairs to the Bruce Eastick North Para Flood Mitigation Dam.

An amount of \$70,000 was allocated in the adopted 2021/2022 GRFMA Budget to meet annual repayments for any agreed financing repayments.

The GRFMA constitution, in part, provides:

Purpose and Functions

3.1 The Authority has been established for the purpose of coordinating the planning, construction, operation and maintenance of flood mitigation infrastructure for the Gawler River, and for the following functions:

3.1.1 to raise finance for the purpose of developing, managing and operating and maintaining works approved by the Board.

GRFMA Policy - Treasury Management provides:

GRFMA operating and capital expenditure decisions are made on the basis of:

- facilitating construction, operation and maintenance of flood mitigation infrastructure in the Gawler River area ('the Floodplain');*
- cost effectiveness of the proposed means of service delivery; and*
- affordability of proposals having regard to GRFMA's long-term financial sustainability and the support of constituent councils.*

The Local Government Finance Authority of SA has advised that:

As a Regional Subsidiary made up of the 6 constituent councils, LGFA would look at both the Subsidiary's financials' alongside the relevant constituent councils in consideration of an application for finance.

Time frames for the credit assessment process are usually 4-6weeks, with loans settling on the 15th of each month. In terms of the credit assessment process, the time frame is the same for both Cash Advance Debentures (CAD) and Fixed debenture loans.

The current CAD facility rate is 2.05% - this facility can be financed for up to 10yrs. The CAD facility is a floating rate facility, and a come and go facility (so you can drawdown as and when required). It is an interest only facility. Within the CAD facility there is also the option to fix the rate for up to 5yrs. This provides the flexibility for clients that they can slowly drawdown on the facility as the cost requirements increase, and when it reaches a 'core' level of debt, elect to fix the rate. Fixing a rate under the CAD facility is an interest only loan. As an indicative, a 5yr CAD interest only rate is 2.30%.

Under the fixed debenture credit-foncier facility, this is a Principle and Interest (P&I loan) for up to 15yrs.

If the decision was to finance under this facility, the loan amount would be advanced on day one and there would be P&I repayments for the life of the loan, amortising to zero.

Indicative rates for P&I fixed debenture loans are:

- 10yrs 2.50%
- 15yrs 2.80%

On the basis of the staged components of the proposed Dam repair works it is recommended the GRFMA consider application to the LGFA for a Cash Advance Debenture facility of \$650.000

CAD Scenario @ 2.3% with Annual Payment

	Principle	Interest	Total	Payment	Balance
Year 1	650000	14950	664950	-70000	594950
Year 2	594950	13684	608634	-70000	538634
Year 3	538634	12388	551022	-70000	481022
Year 4	481022	11063	492085	-70000	422085
Year 5	422085	9707	431792	-70000	361792
Year 6	361792	8321	370113	-70000	300113
Year 7	300113	6902	307015	-70000	237015
Year 8	237015	5451	242466	-70000	172466
Year 9	172466	3966	176432	-70000	106432
Year 10	106432	2448	108880	-70000	38880
Year 11	38880	895	39775	-39775	0
Total	650000	89775		Total cost	739775

The above scenario is indicative and is subject to use of GRFMA cash reserves as in-house treasury management, the final drawn down amount, variations from interest rate movement and considerations of locking in an initial 5-year term.