

MONTHLY PROGRESS BULLETIN



ISSUE DATE
17 April 2026

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SAFETY FIRST, ALWAYS

SAFETY & SECURITY TRENDS

We focus on prevention and preparedness to protect our team members, operations and surrounding communities.

Key Metrics: March 2026



KEY HIGHLIGHTS



Internal asset damage: An Association vehicle sustained minor damage after being scraped by a cattle horn while stationary, as the driver allowed a herd to cross the road - repairs to the vehicle have been actioned. In a second incident, electrical cables in the Motor Control Centre Room at the Havercroft Weir were found to be overheating, and have been replaced.



Near miss: An employee narrowly avoided driving into a trench while cutting grass between the main office building and the Eskom transmission yard at the Havercroft Pump Station. The matter has been addressed, with appropriate measures implemented to reduce the risk of recurrence.



Manhole sabotage (final update): The closeout report received in March for the investigation into the manhole breach incidents along the pipeline between Spitskop and Dwarsrivier in late 2025 confirms that the case has been closed due to a lack of actionable evidence. The Association continues to monitor the pipeline on a 24/7 basis.



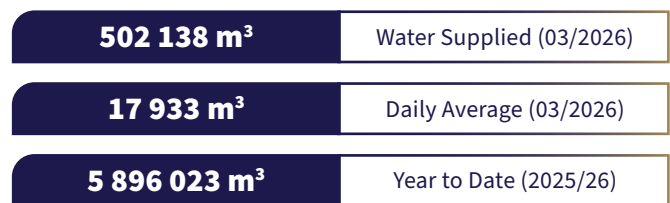
NOSA/ISO audit preparation: In maintaining its NOSA and ISO certification status, BWUA continued to systematically close out minor audit findings in preparation for both the August and October 2026 verification audits. 82% of all audit actions have been closed to date.

OPERATIONS UPDATE

WATER SUPPLY TRENDS

At the nine-month mark of the 2025/26 financial year, cumulative water usage continues to reflect a significant declining trend in comparison to the past five years.

Key Metrics: March 2026



MAINTENANCE STATUS

Maintenance activities ensure the Association's reliable supply of water. In March, a 97% completion rate was achieved, with outstanding job cards attributed to a number of employees being assigned to training courses. Monthly maintenance plans incorporate stretch targets to drive continuous improvement, with outstanding job cards closely monitored to ensure timely closeout. Key activities include the commissioning of the second variable speed drive at Dwarsrivier and continued monitoring of Havercroft's newly-commissioned Pump 1B.

Maintenance Jobs: March 2026



KEY HIGHLIGHT



Proven sustained pumping efficiency above 0.7 kL/kWh over the past nine months, despite external factors requiring peak and standard time pumping, will form the basis for the next financial year's budget while continuing to support reduced electricity costs at Havercroft Pump Station.

SOCIO-ECONOMIC DEVELOPMENT

SCHOOL UPGRADE PROGRAMME

We equip schools with innovative, modular infrastructure.

5 Schools Complete*

0 School In Progress

* Includes the SUP pilot school, completed in March 2023

Update: A recently completed school was formally handed back on 23 March, marking an important SUP milestone in supporting the school's transition to sustainable, long-term management of its upgraded facilities.



PEN ECD PROGRAMME

We develop Early Childhood Development (ECD) centres to Department of Education standards via the Participate Navigate Envision (PEN) programme.

Key Metrics: March 2026

33

ECD Centres Participating

42

Coaching Visits to ECDs

3

Lesson Planning Training Sessions

NAL'IBALI LITERACY PROGRAMME

We promote literacy in the seven communities we currently support.

In March, 166 story sessions were delivered across schools, ECDs and reading clubs (99% of target), while also distributing 500 story cards to support reading activities. Engagements were further strengthened through participation in the Polokwane reading club imbizo, where learners interacted with peers and benefited from donated reading materials.



SCHOOL INTERNET ACCESS

We provide Internet access to primary and secondary schools in our doorstep communities.

10

Schools Continue Receiving Internet

PROJECTS IN PROGRESS

For sustainability and affordability of water supply to our Members

REGIONAL ENERGY PROGRAMME

The Association-led R26.5 billion Regional Energy Infrastructure, Storage and Distribution Programme aims to secure predictable, long-term energy supply for the OMM Programme and safeguard affordable, reliable water delivery for our Members. Announced by President Ramaphosa at SIDSSA25, the project has been selected by Infrastructure South Africa (ISA) for priority project support.

Work has progressed from the Association-sponsored concept study to the pursuit of development funding to undertake an Intermediate Business Case (IBC), which will be fully funded from external sources. During the period, progress included the advancement of a Memorandum of Cooperation (MoC) and the progression of an Industrial Development Corporation-led RFP process, currently in final adjudication, to secure development funding required to undertake the IBC. This milestone brings us closer to stabilising tariffs, strengthening water reliability and driving regional growth.

WATER RE-USE BUSINESS CASE

Work has advanced on a business case to unlock wastewater re-use in Limpopo. The initiative addresses two linked challenges: increasing water availability through the recovery of treated effluent, and supporting municipalities to restore compliance at wastewater treatment works (WWTWs). The approach focuses on refurbishing and upgrading distressed WWTWs and partnering with municipalities to develop a profitable business case for treated effluent, in line with the resolution taken at the Ministerial Water Indaba to augment industrial and potable use. The model shows strong potential to attract private investment, generate revenue for municipalities and reduce pressure on freshwater systems. Engagement with key stakeholders have continued to support alignment on the proposed re-use approach, as we move towards developing a business case for the re-use upgrade of Mogalakwena WWTW near Mokopane.

AGRICULTURAL DEVELOPMENT

The Department of Water and Sanitation (DWS) confirmed its in-principle support for the development a feasibility study for BWUA's Integrated Agricultural Development Programme (IADP) and the subsequent amendment of the Association's mandate to include Agricultural Members.

The IADP, which would be enabled by the provision of up to 30 Ml/day of bulk raw water for irrigation by BWUA in the Phase 2B area of OMMP Stage 1, aims to address under-used government farmland in Limpopo, creating a circular, self-funding agro-industrial corridor enabling ~R800 million/year in regional agricultural turnover and creating ~2 000 jobs. Infrastructure and support to farmers will potentially be funded through carbon credit trading. Work during the period focused on advancing engagements with key stakeholders in support of the feasibility study and proposed mandate extension. The potential benefits for the Association include new water sales revenue and a 5-10% reduction in Members' water tariff.

Note: All studies will be externally funded through at-risk, market-based development funding, with no contributions required from BWUA Members.





OLIFANTS MANAGEMENT MODEL (OMM) PROGRAMME

PROGRESS (END MARCH 2026): STAGE 1

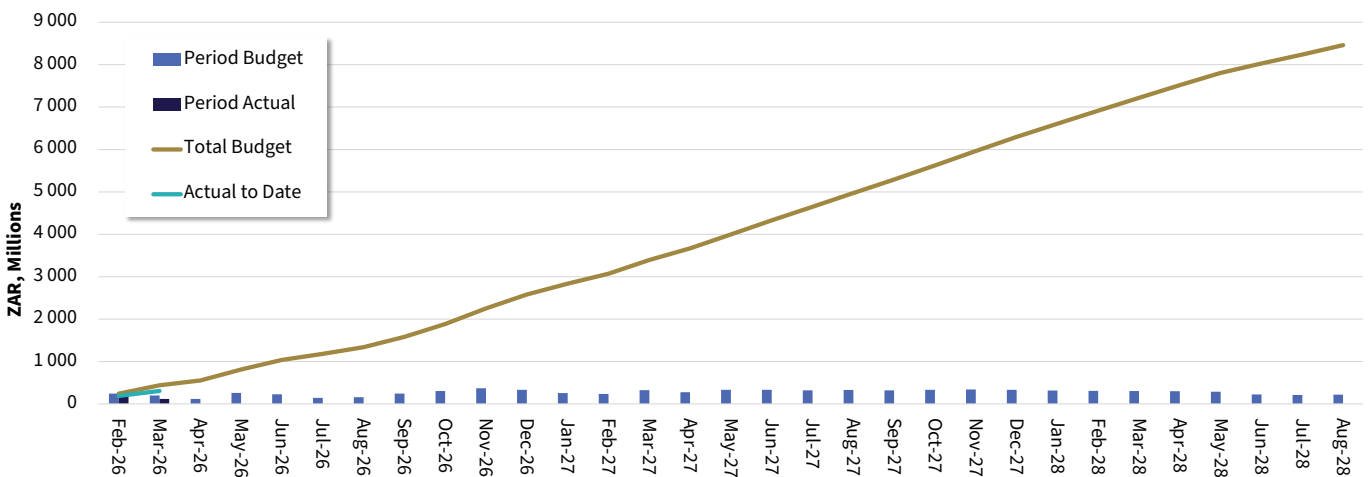
3.3%

Started 2 February 2026 (Project Manager's Instruction 001)

KEY RISKS AND MITIGATION: STAGE 1

Risk	Category	Mitigation
<p>Revised lender Financial Close requirements and outstanding Member documentation may impact the timing of Financial Close.</p> <p>Interdependency between three Stage 1 EPC contractors, creating potential schedule and cost impacts.</p> <p>Complex and diverse stakeholder environment, including institutional, commercial, regulatory and community stakeholders.</p> <p>Change in economic environment for PGM mining delaying growth in water demand.</p>	<p>Programme Implementation</p> <p>Programme Implementation</p> <p>Business</p> <p>Programme Implementation / Funding</p>	<p>Engagements with Senior Lender Managers will be initiated to address revised requirements, alongside Member engagements to finalise outstanding documentation.</p> <p>Development and use of an interface dossier to identify, coordinate and actively manage interdependencies between contractors, and through fully-wrapped EPC contracts that make interdependency risks the contractor's responsibility.</p> <p>Proactive stakeholder management through structured communication, dedicated forums and committees, and continuous engagement to align interests. Prevention of business forum interference through community support.</p> <p>Reallocation of water resource capacity for social use targeting Polokwane, Mokopane, Burgersfort and Steelpoort as high growth/need areas in Limpopo Province.</p>

IMPLEMENTATION PERFORMANCE: STAGE 1



RECENT MILESTONES

- ▶ **Stage 1:** Detail design, limited procurement and construction, associated with PMI001 ring-fenced scope, officially commenced on 2 February;
- ▶ **Stage 1:** Approval of site establishment and development planning for the Pruisen Reservoir;
- ▶ **Stage 1:** Appointment of a subcontractor to relocate the Eskom overhead line at Pruisen;
- ▶ **Stage 1:** Consent received from the Matlala Traditional Authority for EIA and servitude public participation, building on ongoing land acquisition efforts; and
- ▶ **Stage 1:** Environmental compliance advanced with completion of the Phase 2B+ biodiversity (search and rescue) assessment.

FUTURE MILESTONES

- ▶ **Stage 1:** Financial close (*under discussion with Lenders*);
- ▶ **Stage 1:** Place orders for electrical and instrumentation subcontractor (Q2, 2026);
- ▶ **Stage 1:** Phase 2B+ (Pipeline) WUL (Q2, 2026);
- ▶ **Stage 1:** Issue Notices of Commencement of Construction at Pruisen for the reservoirs (Q2, 2026);
- ▶ **In Development:** The Association is advancing discussions with Lepelle Northern Water on an integrated water supply solution, with potential to unlock the sale of up to 20 Ml/day of commercial capacity to Polokwane City. Further developments will be communicated as they progress.