

MONTHLY PROGRESS BULLETIN



ISSUE DATE
20 May 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: April 2026



KEY HIGHLIGHTS



Internal asset damage: Two internal asset damage incidents were recorded during April. The first involved minor vehicle damage after an employee reversed into a gate access point at the Croydon Reservoir yard. The second involved damage to a SCADA monitor during preparatory work for ceiling replacement activities. Both incidents are being managed in accordance with BWUA's incident response procedures.



Environmental Update: A snake was safely captured on the Havercroft premises and relocated without incident, highlighting the importance of ongoing environmental awareness in operational areas.



New SafetyCulture Initiatives: BWUA continues to expand its use of SafetyCulture through the introduction of the Lone Worker feature, enhancing employee safety through real-time alerts and emergency escalation. The platform also supports ISO 50001 energy initiatives through digital tracking of vehicle fuel consumption and kilometres travelled, while the tracking of 121 Visible Felt Leadership engagements and 5 731 digital inspections to date supports the phased move away from paper-based inspections.



NOSA/ISO audit preparation: BWUA continued to systematically close out minor audit findings in preparation for both the August and October 2026 verification audits. As at end April, 87% of all audit actions have been closed to date.

OPERATIONS UPDATE

WATER SUPPLY TRENDS

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

Key Metrics: April 2026



MAINTENANCE STATUS

Maintenance Jobs: April 2026



Maintenance activities ensure the Association's reliable supply of water. In April, the maintenance team achieved a perfect 100% completion rate. While monthly maintenance plans incorporate stretch targets to drive continuous improvement, unplanned ad-hoc and breakdown repairs made up 15% of total work orders, exceeding the 5% operational target and highlights a need for better proactive planning.

ELECTRICITY USAGE HIGHLIGHTS



BWUA's combined electricity bills remained steady this financial year and significantly lower than in previous years, driven by the avoidance of peak-demand penalties through improved power factors and restricted pump usage.

Key Statistic: Actual pump efficiency at the Havercroft Pump Station has remained consistent at 0.75 kL/kWh for the last 10 months.

SOCIO-ECONOMIC DEVELOPMENT

SCHOOL UPGRADE PROGRAMME

We equip schools with innovative, modular infrastructure that improves sanitation, learning environments and long-term educational outcomes.

5

Schools Complete*

0

School In Progress

* Includes the SUP pilot school, completed in March 2023

PEN ECD PROGRAMME

We are developing ECD centres in Steelpoort to Department of Education standards via the Participate Navigate Envision (PEN) programme.

Key Metrics: April 2026

33

ECD Centres Participating

24

Coaching Visits to ECDs

5

Lesson Planning Training Sessions



* Educators can redeem items for their ECD centres through the PENdula initiative, a rewards programme that incentivises training and weekly lesson planning attendance.

NAL'IBALI LITERACY PROGRAMME

We promote literacy in the seven communities we currently support.

In April, 117 story sessions were delivered across programme beneficiaries, which include 13 schools, 17 ECD centres and 2 drop-in centres across our doorstep communities. These sessions involve multimodal engagement, and include activities such as reading aloud, shared reading, group guided reading, independent reading, storytelling, song and dance.

SCHOOL INTERNET ACCESS

We provide free Internet access to primary and secondary schools in our doorstep communities through our partnership with Project Isizwe.

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 and the progression of an Industrial Development Corporation-led Request for Proposals 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 OMM Programme 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

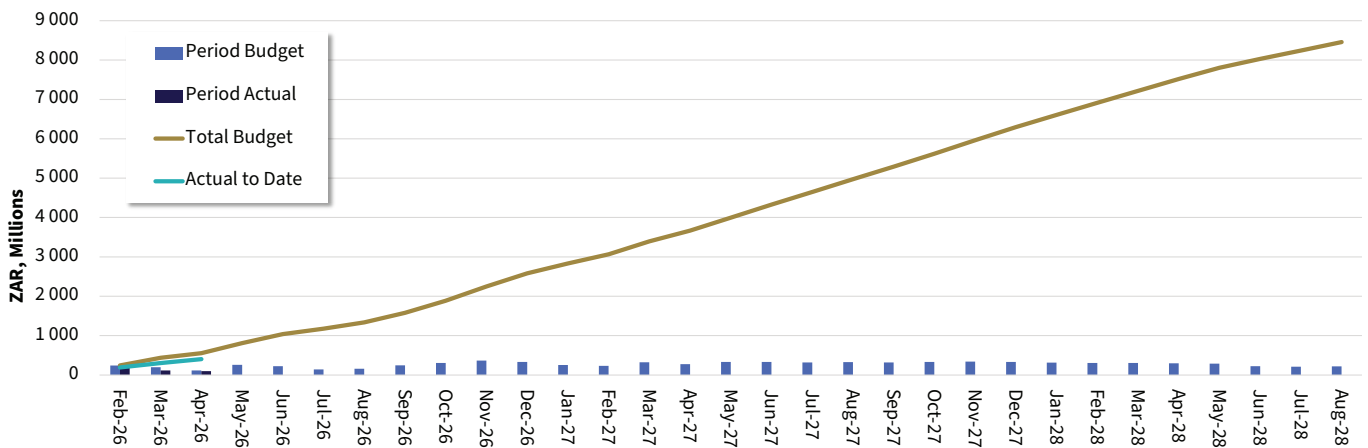
4.8%

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 have been 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

- ▶ Issued construction commencement notifications to the relevant regulatory authorities, including DFFE, DWS and LEDET;
- ▶ Appointed Principal Contractor under a Section 37(2) agreement in accordance with the OHS Act and Construction Regulations;
- ▶ Established the Environmental Monitoring Committee;
- ▶ Completed the Mokopane main site establishment activities;
- ▶ Secured consent from 9 of the 16 Phase 2B+ landowners for contractor-issued drawings and site development plans;
- ▶ Finalised the heritage mitigation plan and associated actions to support permitting processes with DFFE and LEDET;
- ▶ Completed the biodiversity red data searches between the Malgas and Doornfontein pump stations.

FUTURE MILESTONES: STAGE 1

- ▶ Achievement of Financial Close (*timing under discussion with Lenders*);
- ▶ Receipt of Phase 2B+ (Pipeline) Water Use Licence (WUL) (Q2, 2026);
- ▶ Re-submission of WUL application for Northern Limb Water Treatment Works (Q2, 2026);
- ▶ Submission of heritage, biodiversity, BAR and EMP applications and approvals (Q2, 2026);
- ▶ Place orders for electrical and instrumentation subcontractor (Q2, 2026);
- ▶ Commencement of Pruisen Reservoir construction activities (Q2, 2026);
- ▶ Establishment of Project Liaison Committee (Q2, 2026);
- ▶ Submission of amendments to the Phase 2B Water Use Licence to include Flag Boshielo and Malgas pump stations' site specific systems (Q2, 2026);