

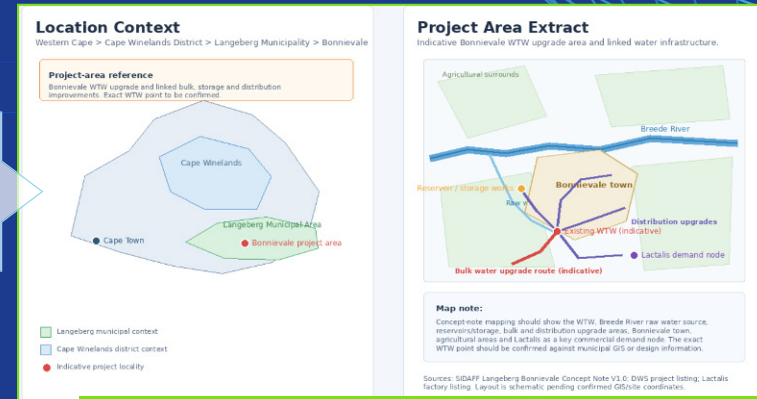
BONNIEVALE DISTRIBUTION AND BULK WATER UPGRADE

PROJECT SUMMARY

The proposed Bonnievale Distribution and Bulk Water Upgrade is a critical water services project aimed at increasing supply to the town of Bonnievale while strengthening the integrity, reliability and security of the water system. The project includes the upgrade of the Bonnievale Water Treatment Plant from approximately 5 ML/day to approximately 15 ML/day, through a proposed 10.7 ML/day capacity upgrade. It also includes the upgrade and replacement of distribution and bulk water infrastructure, including pipelines and storage.

The intervention will relieve pressure on the overloaded system, improve assurance of supply for domestic, agricultural and commercial users, and support future population growth, housing development and industrial expansion. The concept note indicates that the additional capacity could support approximately 17,300 additional households, while also responding to commercial and industrial demand of approximately 3.15 ML/day.

MAP OF THE PROJECT



The location context map shows Bonnievale within the Langeberg Local Municipality and the Cape Winelands District, with the project area centred on the existing Bonnievale Water Treatment Plant, the Breede River raw water source and the bulk and distribution network serving the town of Bonnievale. The project area extract map shows the relationship between the WTP, reservoirs, bulk pipelines, distribution upgrades, surrounding agricultural areas, planned housing or industrial growth areas, and the Lactalis Dairy Factory as a key demand node.

PROJECT STATUS



The project is currently recorded at concept stage. The Water Master Plan was completed in June 2025 and identifies the need for the Water Treatment Plan (WTP) upgrade, bulk water network improvements and distribution upgrades to close the projected demand gap.

The project is reflected in Langeberg Municipality's planning and budgeting instruments, including the Final Third Review of the 5th Generation IDP and the 2025/26 Medium-Term Revenue and Expenditure Framework. The implementation timeline is indicated as 2026 to 2035, pending funding availability.

The operational model is identified as public sector-led and community-based, with PPP potential. The project is needed because the current WTP is under pressure, demand is rising, the system experiences low pressure and reservoir stress, and raw water is sourced from the Breede River via a long irrigation canal that exposes the system to fluctuating water quality and infrastructure risks.

FINANCIAL NEEDS



Approximate value: R314 million.

This amount is based on the Water Master Plan. Co-funder and co-funding amounts are still to be confirmed. The funding status is indicated as partial grant funding, with a note that funding is currently available to take the WTP to 10 ML/day. Further funding will be required to implement the full upgrade to approximately 15 ML/day, as well as the associated bulk and distribution network, storage, and system resilience improvements. The financial case is strengthened by expected reductions in non-revenue water losses from around 40% toward approximately 30%, improved cost recovery, and commercial demand linked to the Lactalis Dairy Factory expansion. These factors can improve municipal revenue, affordability and bankability while reducing service delivery risk.

PUBLIC/ PRIVATE SECTOR OPPORTUNITY



The project presents an opportunity for public-sector infrastructure investment supported by private-sector participation where appropriate. The public value lies in reliable potable water, climate resilience, reduced system losses and improved service continuity for households and businesses.

The public-sector role could include:

- Municipal project sponsorship, planning alignment and water services governance;
- Grant funding coordination and capital budget prioritisation;
- Implementation of the WTP upgrade, bulk pipelines, storage and distribution improvements;
- Demand management, non-revenue water reduction and affordability safeguards; and
- Alignment with the IDP, MTREF, Water Master Plan and climate resilience priorities.

Private-sector participation could include:

- PPP participation or structured finance for selected upgrade components;
- Technical design, construction and specialist water treatment services;
- Operations and maintenance support for the WTP and pipe network;
- Commercial offtake or demand certainty linked to Lactalis and other industrial users; and
- Local contractor, supplier and SMME participation during construction.

The catalytic value is that improved water security can unlock industrial and agro-processing expansion, support housing and spatial development, protect jobs and improve municipal financial sustainability through higher revenue and lower losses.

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KEY PARTIES



Key parties include:

- Langeberg Local Municipality - project owner and water services authority.
- Cape Winelands District Municipality - regional alignment and support.
- Western Cape Government / Department of Local Government - SIDAFF-related support and municipal infrastructure coordination.
- Pegasys / SIDAFF Programme - project preparation and financing support.
- Lactalis Dairy Factory - key commercial and industrial demand driver.
- GLS Consulting and Neil Lyners and Associates - Water Master Plan support.
- Potential PPP / private-sector partners - finance, design, construction, operations and maintenance.
- Households, vulnerable communities, farms and commercial users in Bonnievale - service beneficiaries.

The concept note estimates approximately 140 direct jobs at peak construction and around 30 post-construction operations and maintenance jobs linked to the WTP and pipe network.

TIMELINE

The concept note confirms an overall implementation window of 2026 to 2035, subject to funding availability. The phasing below should therefore be treated as an indicative sequencing guide for project preparation and implementation.

PHASE	INDICATIVE TIMELINE	KEY ACTIVITIES
Preparation and funding	2026	Confirm detailed scope, funding package, co-funder amounts, implementation phasing and procurement route. Use the currently available funding to progress the WTP capacity toward 10 ML/day.
Priority water security works	2026-2028	Advance the first capacity and system reliability interventions, including priority treatment, storage, low-pressure and reservoir-related works, subject to procurement readiness and funding.
Bulk and distribution upgrades	2028-2031	Implement priority pipeline, storage and distribution upgrades and reduce non-revenue water from around 40% toward the benchmark of approximately 30%.
Full upgrade and growth support	2031-2035	Complete remaining works required to reach approximately 15 ML/day, support Lactalis and other industrial demand, and enable housing and spatial development linked to the IDP.