

Our ref.: 1701561  
Enquiries: H. Lourens  
Date: 30 January 2026

Nel & De Kock Town and Regional Planners  
PO Box 1186  
GEORGE  
6530

Att: Mr. Deon Nel

Dear Sir,

**HEROLDS BAY COUNTRY ESTATE: PROPOSED DENSIFICATION OF COMMERCIAL SITE: APPROVAL AND ALLOCATION OF ADDITIONAL BULK WATER**

The abovementioned and ongoing discussions on this matter over the last months refer. As part of the proposed densification application of the commercial erf, an additional bulk potable water allocation was required from the George Municipality. This original application was submitted to the municipality on 4 June 2025. Subsequent to numerous further discussions with the municipality, the additional allocation letter, to facilitate the densification application, was received on 5 December 2025 and is attached herewith.

It is important to note that the developers wish to amend the density and mix of the commercial erf only, that all of the amendments are on the commercial site only, and the rest of the development will remain as per the approved SDP and as per the signed services agreement. The table below indicates the approved rights versus the proposed densification and mix amendment:

Description	Original (quantity)	Proposed (quantity)	Comment
Single residential erven	102	102	Residential
Group housing units	68	68	Residential
Filling Station	1	0	Commercial
Retail (GLA m2)	750	768	Commercial
Restaurant (GLA m2)	250	300	Commercial
Offices (GLA m2)	300	0	Commercial
Flats (units)	0	76	Commercial

The following can be noted from the table:

1. The filling station is omitted from the mix.
2. Offices are omitted from the mix.
3. Retail GLA is increased slightly from 750m2 to 768m2.
4. Restaurant GLA is increased slightly from 250m2 to 300m2.
5. Flats are added (76 flats)

The following is a summary of bulk potable water allocation for Herolds Bay Estate, as per the application to the municipality, and as per the approval letter:

1. Originally approved (signed services agreement): 131.3 kl/day
2. Updated proposal required potable water: 153.2 kl/day
3. Additional quantity required: 21.9kl/day

The approval letter allocates this additional bulk potable water to the project on various conditions as stipulated in the letter, the summary of which is as follows:

1. The proposed development falls within the George Water Treatment Works (WTW) service area. The George WTW has sufficient capacity to service this development.
2. The bulk potable supply line from the reservoir to the development will require upgrading.
3. The Oubaaï reservoir will require upgrading.
4. The developer will be required to construct the above-mentioned infrastructure to service the development, the cost of which will be offset against development contributions.
5. The design of the abovementioned infrastructure will have to be coordinated and agreed to between the developer and the municipality. This will require liaising from preliminary design stage to detail design stage and culminate in construction stage.

An addendum to the services agreement will be required to be signed between the parties to reflect this additional bulk potable water allocation as well as the manner in which the cost offset will be handled.

Sewer Package Plant:

In addition to the above, the municipality requested confirmation that the package plant servicing the development, as part of the approved services agreement, can accommodate the additional sewer outflow. It is herewith confirmed that the package plant for the commercial erf is located in its own drainage zone, and that it has not been designed or constructed yet. The design will hence be adjusted for the additional flow of approximately 19.7kl/day created by the densification of the commercial site and be constructed as such.

We trust that you will find the above in order. Please contact the undersigned if you have any queries.

Yours Sincerely  
For Element Consulting Engineers



**HANNES LOURENS PrEng MEng PrCPM**  
Director



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Date: 28 November 2025

Enquiries: M Geyer  
Tel: 044 801 9268

**Element Consulting Engineers**  
**82 Victoria Street**  
**George**  
**6529**

Via email: [hlourens@eceng.co.za](mailto:hlourens@eceng.co.za)

**Attention: Mr Hannes Lourens**

## **ERF 1585, GEORGE: WATER AND SANITATION CAPACITY FOR PROPOSED DEVELOPMENT**

The accommodation of the proposed development in the George Municipal water and sanitation system refers.

The Civil Engineering Services (CES) Directorate confirms that the development and its proposed further development was taken into consideration in the water master plan of the future development area of Buffelsfontein 204-7.

The water demand for the proposed development (as per the signed services agreement for the Herold's Bay Country Estate) as originally calculated and included in the master plan as 131.3kL/d. The details of the revised water demand and sewer outflow are included in section 1.2.

Upon conclusion of the above, the appointed master planning consultant, GLS, provided the required technical details to confirm the water and sanitation system upgrades required and associated estimated costs to support the development into the existing water and sewer network.

### **1. DEVELOPMENT**

#### **1.1. Development footprint**

The proposed development is situated at Erf 1585, positioned along Estate Boulevard in Herold's Bay, George. Refer to figure 1 below for the locality map.

Erf 1585 is the Herold's Bay Country Estate, but this capacity letter specifically addresses the additional potable water demand of the commercial portion within the estate.

#### **1.2. Demand**

The development requires an additional potable water demand as part of the already approved development, which is subject to further land use approval processes.

The increase in potable water demand of the development places the following additional demand on the water system as captured in table 1 below.



Figure 1: Locality of Erf 1585, Herold's Bay

Table 1: Theoretically calculated water demand and sewer flow contribution

Land use	AADD incl UAW (kL/day)	Water level of service	ADWF (kL/day)	Sewer level of service
High density residential flats	153.2	Municipal connection with a meter	95.3	On-site treatment

The potable water demand figure was incorporated into the water masterplan to verify capacity within the existing bulk and reticulation networks.

## 2. BULK INFRASTRUCTURE CAPACITY

### 2.1. TREATMENT CAPACITY

#### a) Water Treatment

- The proposed development falls within the George Water Treatment Works (WTW) service area.
- The WTW's has sufficient capacity to service this development.

### 2.2. BULK PIPELINES AND PUMP STATIONS

#### a) Water

- The proposed development falls within the Oubaii reservoir zone supply area.
- The reservoir has insufficient capacity to service the expansion of the proposed development.

- Item OBR\_01.00, 02.00, B02.01 and B02.02: Construction of a 1.5ML reservoir and the associated inlet and outflow pipelines is required to service the development.
- The developer will be required to construct the above-mentioned items to service the development. The cost, over and above the pro-rata cost contribution to service the development will be offset against Development Contribution's (DCs). Refer to section 4.2

**2.3. RETICULATION SYSTEM**

**a) Water**

- The existing pipeline for an approximate 390m in Estate Boulevard / Oubaai Road measured from the Rooidraai Road intersection requires an upgrade (Item HBR\_04.01). The technical assessment includes parallel reinforcement, i.e. installation of a 200mm diameter pipeline parallel to the existing 200mm diameter.
- No parallel pipeline reinforcement will, however, be accepted. The design by the Developers consulting team shall therefore be developed accordingly, and the Developer shall install a new pipeline of 315mm in diameter, to replace that portion of the existing 200mm diameter pipeline.
- The Developer will be required to construct the above-mentioned items to service the development. The upgrade of the pipeline is not a requirement for the Municipality, and the full cost shall be borne by the Developer with no off-setting against Development Charges.

**3. CONCLUSION**

In conclusion, the existing water infrastructure cannot accommodate the proposed development, and the infrastructure as listed under section 2 requires implementation to service the development.

In addition, the Developer will be required to confirm that the package plant servicing the development as part of the approved services agreement can accommodate the additional sewer outflow.

**4. COST**

**4.1. Cost Contribution**

The estimated cost (excluding VAT) for water infrastructure upgrades in support of the development is captured in table 2 below.

**Table 2: Associated cost of water and sewer services**

Description	Bulk System	Reticulation System	Total
<b>Water (pro-rata)</b>	R336 904.00	R0	<b>R336 904.00</b>
<b>Water (full cost)</b>	R9 052 000.00	R924 000.00	<b>R9 976 000.00</b>
<b>Total</b>			<b>R10 312 904.00</b>

Notes:

1. The cost included above is a pro-rata cost and not the full construction cost.
2. It should be noted that the unit cost for the water and sanitation infrastructure included in the water and sanitation master plan is under review. The cost and pro-rata cost indicated by GLS and captured in this letter are therefore subject to change and is furthermore subject to change based on actual construction cost.
3. The reticulation cost included is based on a parallel pipeline installation, and not an upgrade, see section 2.



#### 4.2. Development Specific Infrastructure

**General:**

All infrastructure beyond the extent of the current infrastructure (bulk and link services) as well as the reticulation internal to the development is considered development specific and is for the full cost of the developer (design and implementation and associated environmental cost etc.).

All such required link and internal infrastructure will require the necessary maintenance and operation by the Developer or subsequent HOA/POA and utility company, except where agreed/stated otherwise.

**Bulk services over and above the requirements of the development:**

The alignment of these services will have to be coordinated and agreed to between the Developer and the George Municipality.

The Services Agreement shall include these costs and services for the offsetting of Development Charges, as applicable.

**Explanation of principle of setting off cost against Development Charges:** The cost for the construction of the new reservoir, inlet and outlet pipes required to service the development over and above the Developer's pro-rata contribution can be offset against the Development Charges payable for water services, resulting in a balance of R8 843 526.00 excluding VAT as the contribution due by the George Municipality, subject to any other offset that may also be applicable. Refer to table 3 below.

**Table 3: Offset of Development Charges *example***

Estimated total cost of new reservoir, inlet & outlet pipes (items OBR_01.00, 02.00, B02.01 & B02.02)	R9 052 000.00
Pro-rata contribution of new reservoir, inlet & outlet pipes (items OBR_01.00, 02.00, B02.01 & B02.02)	R9 912.00
<b>Balance</b>	<b>R9 061 912.00</b>
Development Charges: Water services	R985 062.00
<b>Balance (contribution by the George Municipality)</b>	<b>R8 076 850.00</b>

**Note:**

- Estimated and subject to annual escalation.
- The above is an example of such a scenario and does not provide a full indication of the costs that could be offset against Development Charges.
- The conditions and means of providing the infrastructure through the development will be resolved as part of the drafting/amendment of the Services Agreement.

The George Municipality does not have the funding available and has not made any provision on the 10-year capital expenditure framework for the proportional amount required for the construction of the new 1.5ML reservoir. The Municipality's proportional amount can be deducted from the total water Development Charges payable by the Developer in its entirety.

#### 5. DEVELOPMENT CHARGES

The current total Development Charges (DC's) relating to Civil Engineering Services (water infrastructure only), and in accordance with the current guidelines, for the proposed development were calculated on 11 November 2025 based on the site development plan and amount to R985 062.00. excluding VAT.

The Developer is reminded of the following Clause relating to the calculation of Development Charges:

*“Any amendments or additions to the proposed development which is not contained within the calculation sheet as stated in clause 2 above which might lead to an increase in the proportional contribution to municipal public expenditure, will result in the recalculation of the development charges and the amendment of these conditions of approval or the imposition of other relevant conditions of approval.”*

The DCs included in this letter is an indication of the charges due and are not confirmed as the final amount payable.

In addition, the DCs amount is subject to amendment based on annual escalation and applicable at the time that development Charges are due for payment. The Council has an approved Development Charges Policy and guidelines for the calculation of DC's.

**6. BULK INFRASTRUCTURE IMPLEMENTATION**

The Developer will be required to perform the necessary project management services from commencement to close-out for implementation of the bulk infrastructure.

The deliverables per stage shall be submitted to the Civil Engineering Services Directorate for approval and shall be invited to attend all construction progress meetings.

**7. COMMENCEMENT OF DEVELOPMENT**

This letter confirms the status of the infrastructure at the time of writing this letter. Capacity is not reserved for any development. Confirmation of availability of services is valid for a **period of 6 months** from the date of letter, after which the Developer must again request confirmation from the Municipality.

The development, in its entirety or in phases, is subject to confirmation by the Director: Civil Engineering Services regarding the availability of water supply & treatment capacity, and sanitation bulk conveyance & treatment capacity (if applicable) at the time of the development implementation, or if developed in phases before the commencement of each phase.

A development/implementation program is to be provided by the Developer when requesting confirmation of the capacity from the Director: Civil Engineering Services. If the Developer does not adhere to the program provided and approved by the Director: Civil Engineering Services, the Director: Civil Engineering Services will be entitled to revise the availability of such bulk capacity.

No development may connect to the municipal water and sewer system unless the required bulk and link infrastructure is available, and a services agreement/memorandum of agreement (if applicable) is signed between the Developer and the Municipality.

Yours faithfully,



**LINDSAY MOOIMAN**

**DEPUTY DIRECTOR: INFRASTRUCTURE PLANNING & PROJECT MANAGEMENT**



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