



SAN GORGONIO PASS
WATER AGENCY
A California State Water Project Contractor

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New Funding Accelerates Crucial Water Projects
Agencies to start work immediately using local capital and state grants

BEAUMONT, CA (September 15, 2023) – San Gorgonio Pass Water Agency (SGPWA) is expanding its small water systems gap funding program in the region, allowing local agencies to utilize state grants for the construction of vital water reliability and conservation projects.

Funding assistance recently approved by the SGPWA Board of Directors includes:

- Banning Heights Mutual Water Company (BHMWC): \$3.75 million grant to drill a well, build a new water reservoir and improve pipelines
- South Mesa Water Company (SMWC): \$10 million grant to install a new pipeline in the service area
- High Valleys Water District (HVWD): Nearly \$1 million grant to construct a new water line
- Cabazon Water District (CWD): \$343,700 for water main improvements

Gap funding helps water retailers take advantage of state funding when they lack financial reserves to handle the cash-flow requirements that come with accepting a grant, such as contractor bills and related expenses.

SGPWA first piloted its gap funding concept locally in 2022 with CWD. The Agency provided \$1.7 million in funding to complete critical system upgrades that improved drinking water reliability for 2,270 residents in an underserved community. Learn more about the CWD collaboration at www.sgpwa.com/news.

“Building on the success of the CWD gap funding, SGPWA sees an opportunity to extend the program to more local water providers, backing much-needed investments that may otherwise be lost without funding support,” President Larry Smith said. “Collaborations like this help sustain and strengthen the region’s water resources for the future.”

Gap funding is becoming an increasingly common practice and is a critical piece of getting designated grant funds to Disadvantaged Communities where economic, health and environmental burdens are widespread.

Without gap funding, small water systems often turn down grants for necessary water supply upgrades such as pipeline replacements and new reservoirs. The time difference between paying a contractor and reimbursement from a grant provider can be more than six months, which can stall progress or even prevent projects.

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In addition, grant agencies may not consider further awards to the region if water agencies cannot handle the funding, which threatens the entire area's water security.

Learn more at www.sgpwa.com.

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About San Gorgonio Pass Water Agency

Formed in 1961, SGPWA is a State Water Contractor that serves a 225-square-mile area of western Riverside County. The service area includes the cities of Calimesa, Beaumont, and Banning, and the communities of Cherry Valley, Cabazon, and the Banning Bench. In addition to importing State Water Project (SWP) water from Northern California to augment local groundwater sources, the Agency builds local system infrastructure, participates in water transfers, partners in statewide water projects and collaborates on regional water reliability and conservation efforts.