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SAN GORGONIO PASS WATER AGENCY
A California State Water Project Contractor

New Research Puts Data Center Water Demands in Perspective

White paper examines the water, power, and fiscal questions communities should consider before data centers arrive

BEAUMONT, CA (November 16, 2026) – Water may not be the defining local infrastructure challenge posed by data centers, according to new research from San Gorgonio Pass Water Agency (SGPWA). While these facilities can require substantial water, their electricity demands are far greater, and their impact on a community ultimately depends on a broader equation that includes infrastructure costs, tax revenue and who pays for what.

"Water suppliers cannot afford to plan only for the demands we already know," said SGPWA General Manager Lance Eckhart. "Data centers are changing infrastructure conversations across the country. We wanted to understand what they could require from our water supply, while also looking at the bigger picture, before those questions become immediate here."

That broader perspective is why SGPWA, the State Water Contractor responsible for securing supplies and anticipating long-term water needs in California's San Gorgonio Pass, asked intern and UC Berkeley student Jagger Mattox to examine the impact of the data center industry. His white paper explores the water, electricity and fiscal impacts of a hypothetical large-scale data center, with findings that challenge some common assumptions.

Using industry data, Mattox estimated that a hypothetical data center with a 100-megawatt IT load would directly consume approximately 419 acre-feet of water annually, roughly 5 percent of the City of Banning's annual water use. Banning was used solely as a local comparison because comparable data was readily available, not because of any current or potential project. The estimate does not include indirect water associated with electricity generation or chip manufacturing.

Electricity emerged as a potentially greater local infrastructure challenge. The same facility would consume nearly six times as much electricity as the entire City of Banning used in 2024. Depending on existing capacity, that could require significant new electrical infrastructure or a separate power solution.

The research also highlights a different economic equation. Data centers generally employ relatively few permanent workers and place limited additional demand on services such as schools, parks and police. A well-structured project could generate significant tax revenue without a comparable increase in many municipal costs. But if infrastructure and utility costs are shifted to the public, the financial impact can move in the opposite direction.

For communities considering data centers, Mattox's research points to some key questions: what will a data center require from the community, who will pay for those demands and what will the community receive in return?

No data center projects have been brought forward in the Pass area. SGPWA is not advocating for or against their development. SGPWA undertook the research to understand a fast-emerging issue before it becomes an immediate planning question.

"Communities should be able to ask the hard questions before they are asked to make hard decisions," Eckhart said. "Understanding the demands, costs and benefits early puts everyone in a better position to evaluate what makes sense."

Mattox's full white paper, *Overview of Data Center Development in the Pass Area: Water Demand, Energy Demand, and Policy Considerations*, is available at 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.