The Buddy System

By Yasmeen Nubani

Photo by Ortega Strategies Group

Large Systems Helping Smaller Ones Improves Water Quality, Groundwater Sustainability

In water management, scale often determines capability.

Large regional agencies typically possess the resources, technical expertise, and infrastructure capacity to execute complex projects, while small systems—especially those serving disadvantaged communities—can struggle to meet regulatory requirements and address persistent water quality issues.

A unique alliance between South Mesa Water Company (South Mesa), San Gorgonio Pass Water Agency (Pass Agency), and San Bernardino Valley Municipal Water District (Valley District) in Southern California illustrates how communication, cooperation, and creative financing transforms those constraints into opportunities.

The project partnerships are improving water quality for a neighborhood in need and increasing water supply reliability for the wider region.

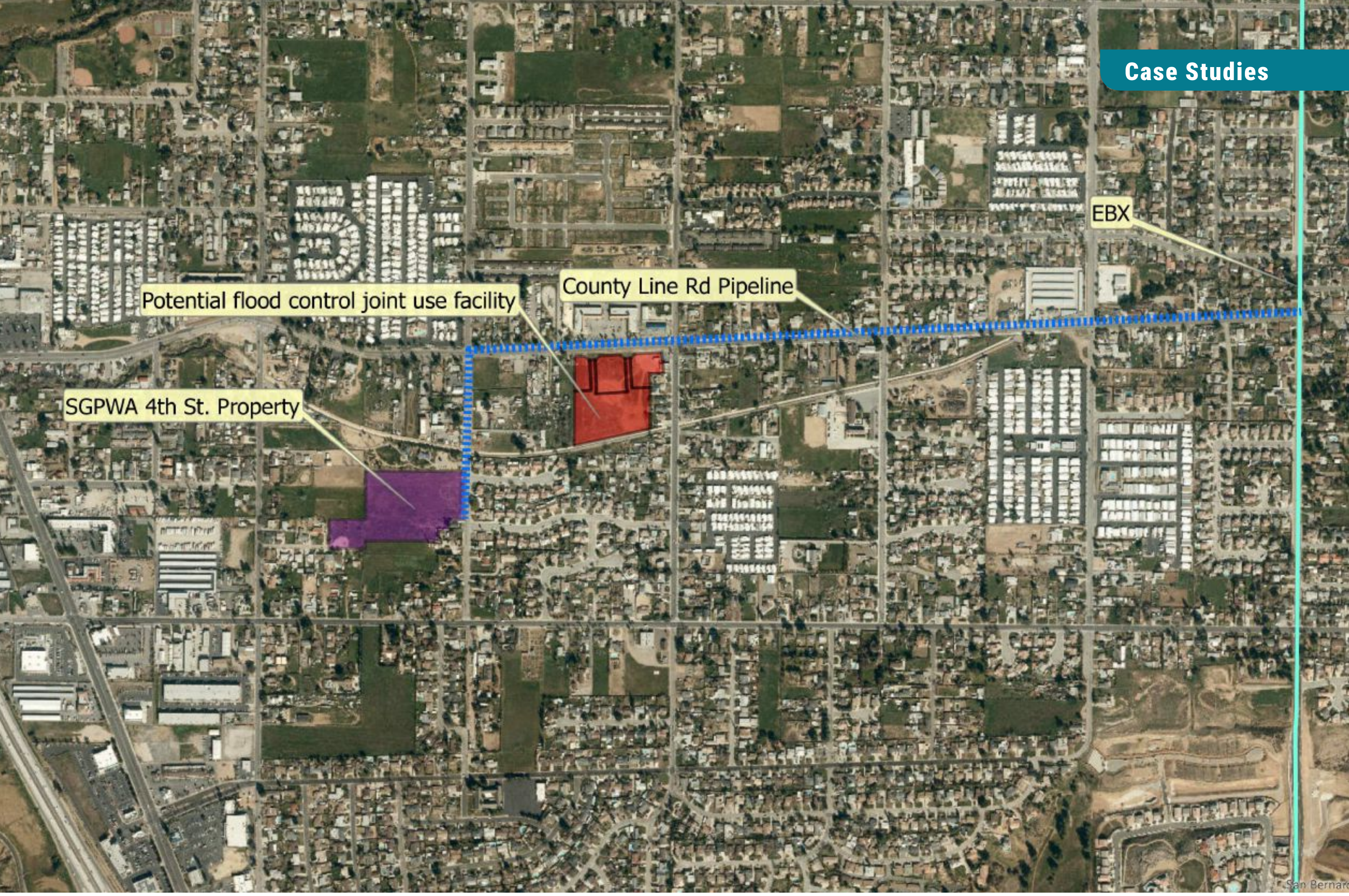
State Requests Consolidation

Founded in 1912, South Mesa is a mutual water company serving approximately 3,000 households in portions of Yucaipa and Calimesa, California. The system relies entirely on groundwater and has storage capacity of roughly 7 million gallons.

In 2020, California's State Water Resources Control Board approached South Mesa with a consolidation request for the Hillcrest Mobile Home Park, where residents- many of them seniors- faced nitrate contamination and inadequate fire flow infrastructure. South Mesa was the closest and strongest system that could support consolidation.

The state offered a $10.2 million grant to fund consolidation and infrastructure upgrades. While the funding appeared to provide a solution, it introduced a new financial barrier. South Mesa would need to cover construction costs upfront and then wait months for repayment. For a small water company with an annual budget of $4 million, the requirement was prohibitive.

Without the ability to front millions of dollars in construction costs, South Mesa risked being unable to accept the grant. In an area classified as severely disadvantaged, this burden is amplified. The U.S. Environmental Protection Agency has documented that small and disadvantaged systems across the country frequently struggle to access grant funding due to administrative complexity and financial constraints.



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In this case, the gap between funding approval and funding access threatened to derail a critical project.

A Regional Solution Emerges

Relief came through the involvement of the San Gorgonio Pass Water Agency. The Pass Agency is a State Water Project contractor in Riverside County providing imported water and regional groundwater management to Calimesa, Beaumont, Banning, and Cabazon.

It observed several smaller agencies in their service area encounter similar financing issues and sought to create a solution. Through its Gap Funding Program, the agency provides zero-interest bridge loans from unrestricted General Fund reserves and serves as a financial sponsor for water projects awaiting reimbursement from state or federal grants. The program has delivered more than $16 million in support across the region.

By providing South Mesa with a bridge loan, the Pass Agency enabled construction to move forward while reducing financial strain on shareholders and allowing South Mesa the flexibility to accept the state's $10.2 million grant.

The collaboration extended beyond financial support. South Mesa spans San Bernardino and Riverside Counties and draws from the Yucaipa Subbasin, where it has built a strong partnership with the Pass Agency and San Bernardino Valley Municipal Water District (Valley District) through the Yucaipa Sustainable Groundwater Management Agency (SGMA). At the same time as the loan was issued to South Mesa, the Pass Agency was exploring opportunities for expanded regional storage for drought resiliency, including a new groundwater recharge basin. A parcel of land in Calimesa, near South Mesa's planned infrastructure improvements, presented the perfect location for the basin.

Meanwhile, Valley District had surplus imported water and needed additional storage opportunities. As a State Water Contractor in San Bernardino County, Valley District supports groundwater storage, imported water delivery, stormwater and wastewater disposal, recreation, and fire protection services.

Valley District agreed to construct a new turnout to connect the future recharge basin to State Water Project supplies. The state grant to South Mesa also funded pipeline upgrades and a new well, freeing up redundant pipeline in Calimesa to feed the recharge basin.

This coordinated approach transformed what began as a localized system consolidation into a multi-benefit regional project, creating outcomes that would not have been possible through individual efforts.

Long-Term Water Resiliency

The most immediate outcome of the project was the resolution of water quality issues within the Hillcrest Mobile Home Park. Residents gained access to safe drinking water and improved fire flows.

The project also significantly strengthened regional water resilience. By expanding imported water supplies into the area, the agencies reduced reliance on local groundwater, helping to alleviate pressure on the aquifer and supporting the aim of the Yucaipa SGMA.

This will be the first time that South Mesa, and through extension the Calimesa area, will have access to State Water Project supplies.

Lessons Learned

The significance of this case extends beyond the immediate region, particularly in the context of

California's evolving groundwater policies. Research from UC Davis highlights that small water systems are among the most vulnerable under these regulations, often lacking the technical and financial capacity to comply independently. Regional partnerships like the one in Calimesa provide a viable pathway forward, enabling smaller systems to access resources that would otherwise be out of reach.

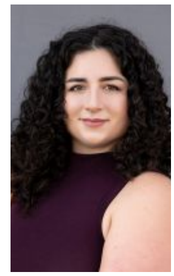
The success of the partnership ultimately depends on strong relationships between the participating agencies. Early communication allowed the partners to identify opportunities for project alignment. Equally important was a willingness to move beyond traditional institutional roles and embrace a more collaborative approach.

SGMA requires local agencies to bring groundwater basins into sustainable balance, placing new demands on systems that are already resource constrained.

Rather than viewing small water systems as isolated or problematic, this case demonstrates their potential to serve as valuable partners in regional solutions. When integrated effectively, small systems can contribute to groundwater recharge, distribution efficiency, and overall system resilience.

The three water agencies demonstrate sustainable water management is not solely a function of size or resources, but of relationships, creativity, and shared vision.

As water systems across the country confront climate change, regulatory requirements, and aging infrastructure, this case underscores how successful agencies can be when they choose to work together rather than alone.



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About the Author:
Yasmeen Nubani is a Public Affairs Associate with Ortega Strategies Group with experience in leadership and organizational management. Her work includes engagement with the California Association of Mutual Water Companies and the Community Water Systems Alliance, supporting collaboration between larger and smaller systems to better serve smaller, older and poorer communities. She holds a bachelor's degree in business administration from the University of Denver.