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**CONTACT:** Grace Cardenas  
(951) 296-6933  
[cardenasg@ranchowater.com](mailto:cardenasg@ranchowater.com)

**SUBJECT:** Rancho Water Postpones Rate Hikes for 2020/2021 Fiscal Year

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Temecula, CA 08/17/2020 – Rancho California Water District (Rancho Water/District) will postpone rate increases through July 1, 2021, to help ease the economic hardship caused by COVID-19.

“We are committed to helping ratepayers during these challenging times and will continue to work proactively at keeping rates affordable,” said Rancho Water Board President Bill Wilson.

In March, Rancho Water’s Board directed staff to delay rate increases until at least January 1, 2021 which resulted in a \$1.2 million dollar deficit to the budget. To make up for that loss, staff resourcefully cut \$712,000 from the budget and another \$488,000 was drawn from rate stabilization funds.

At a board meeting last week, Rancho Water’s Board unanimously approved delaying increases again. The latest rate deferral action will result in an additional \$858,000 deficit that will be funded by rate stabilization funds.

“The Rancho Water Board and staff have in recent years prioritized strengthening our ability to not only financially weather these kind of significant hits to the economy, but to be able to get through them without asking even more from our customers,” said Rick Aragon, Rancho Water’s Assistant General Manager and CFO. “We are also trying to taking advantage of the low interest rate environment caused by COVID-19, to refinance a portion of our bonds and use those savings to replenish the rate stabilization funds that will be used to cover the deficit this year from not raising the rates.”

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*“The mission of the Rancho Water is to deliver reliable, high-quality water, wastewater and reclamation services to its customers and communities in a prudent and sustainable manner.”*