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April 6, 2023

Deputy Executive Officer
California Air Resources Board
1001 I Street
Sacramento, CA 95814
(submitted via: <https://ww2.arb.ca.gov/applications/public-comments>)

RE: Draft Advanced Clean Fleets Regulation – Mesa Water Comments

On behalf of Mesa Water District ([Mesa Water®](#)), I write to provide our comments on the Advanced Clean Fleets (ACF) draft regulatory language for public fleets as proposed by California Air Resources Board (CARB) staff. Mesa Water is an independent special district that serves safe, affordable, and 100 percent local reliable groundwater to businesses and 110,000 residents in an 18-square-mile service area of Orange County that includes most of Costa Mesa, a portion of Newport Beach, and John Wayne Airport. Our District's independence from imported water supplies over the past decade has decreased Mesa Water's carbon footprint due to less energy consumption.

While the latest (March 23) iteration of the draft ACF regulation reflects some of the exemptions and extensions that have been requested by industry associations to which we belong (ACWA, CMUA, CSDA, etc.), we remain seriously concerned with the language and request additional amendments as follows below:

- **Timelines and Public Funding** – The proposed regulations continue to impose aggressive timelines for public fleets compliance, and do not consider local agency budget constraints and funding methods for capital projects. Many local governments budget every two years, and many have a five-year capital budget cycle that cannot be easily repurposed at the scale this proposed regulation would require. Mandating compliance to start January 1, 2024, for a proposed regulation that would require significant and immediate investment and allocation from local agency budgets for the preconstruction, site preparation, and coordination with energy providers is simply unattainable.

Electrifying service yards to support an electrified fleet is a much greater undertaking than a simple electricity panel upgrade or quick trenching in the parking lot. Upgrading infrastructure, purchasing vehicles, training workforce, and complying with mandated reports will be complex, costly, and time-consuming for local agencies to comply with.

Inflation and other cost increases have already stretched budgets to their limits. If required to comply with the proposed regulation as drafted, the projected infrastructure and fleet costs will add substantial rate increases across multiple public works and utility service departments. There is no current funding for these increased costs.

The proposed regulation also ignores existing market realities and the time needed to develop and ramp up an infrastructural system that can support an electrified fleet of essential vehicles. It will take at least a year to put together a funding plan, and it could take another year or more to place new taxes on the ballot or hold Proposition 218 protest proceedings. If voters reject such tax and fee increases, local agencies will be left with no resources to afford the immediate up-front costs necessary to comply with the regulation.



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While savings may eventually manifest from retiring or repurposing Internal Combustion Engines (ICE) assets, the potential savings will have no effect on the up-front capital expenses. For these reasons, we believe that:

- **a local government extension of at least four years from regulation adoption** is needed; and
- **the State should develop a substantial grant program to support local governments' compliance** without imposing an undue burden on their ratepayers and taxpayers already struggling to make ends meet during high inflation. Further, to assist ACF compliance efforts by local governments, public fleets' funding programs should not have qualification restrictions on ZEV purchases.
- **Exemptions – Local agency vehicles that are essential to the health and safety of residents should be fully exempt from the regulation.** While some of these vehicles are captured under the current emergency vehicle exemption, it should be expanded. In addition to emergency vehicles currently defined in the California Vehicle Code, the following local agency vehicles must be operable 24 hours per day, 365 days per week. Any interruption in their regular use could jeopardize the health and safety of the communities they serve. Given the most likely current or future ZEV options will depend upon a consistently accessible source of electricity, the risk of disruption -- whether due to an earthquake, public safety power shutoff, rolling brownout, wildfire, flood, or other natural disaster -- is too great to risk the operability of these vehicles and health and safety of Californians:
 - Dump trucks, valve trucks, welding trucks, and other larger equipment vehicles essential to the repair and maintenance of water, wastewater, and other utilities. These are particularly critical during and following the very events that could interrupt the ability of ZEVs to operate.
 - Vehicles used by open space, regional park, and other agencies to spot wildfires, mitigate wildfires, rescue lost or injured hikers, and prevent poaching of animals.
 - Vehicles used by mosquito abatement and vector control agencies to prevent and disrupt the proliferation and uncontrolled spread of dangerous known and unknown vectors.

Additionally, we are requesting a Small Agency/Department automatic exemption based on fiscal hardship, as well as expanding the existing delayed implementation for small vehicle fleets in non-designated (non-low population) counties to include agencies that purchase less than two vehicles in a calendar year. Otherwise, the current "rounding-up" rule would apply the regulation to 100% of vehicles purchased by agencies purchasing just one vehicle in the initial three-year implementation period even though that period is intended to only require 50% of vehicles comply. Agencies purchasing just one vehicle in a calendar year are the smallest agencies in the state that have the least resources for complying with the reporting mandates and costs associated with the regulation. Moreover, agencies that purchase just one vehicle have no means to mitigate the added cost of ZEV additions, while agencies that purchase multiple vehicles can mitigate costs by strategically purchasing 50% ICE vehicles for the vehicle models that may be least affordable as ZEVs.

- **Price Caps – We request that CARB impose price caps to ensure the market positively responds with vehicles at competitive rates.** Local governments strive to be good stewards of taxpayer dollars, nonetheless, without price caps, complying with the proposed regulations may force a purchase of ZEVs that are put to market at an artificially inflated cost. With the inclusion of a percentage price cap, manufacturers will be unable to potentially manipulate the market with unwarranted unit costs.



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- **Inventories – We request that CARB provide a list of available manufacturers that have market-ready vehicles in the medium- to heavy- duty class sizes, 2B-8.** It is not feasible for local governments to determine the availability of model/body types of multiple vehicle weight classes (and functions). Moreover, while manufacturers will begin informing CARB about which vehicle models are unavailable, starting January 1, 2025, providing this list a full year after the proposed start date for the regulation would cause a significant challenge in the first 2-3 years for local governments to determine which vehicles would -- or would not -- be available as ZEV purchases. Thus, an extension for public fleets of at least four years from regulation adoption would make purchasing planning more feasible for local governments.

Again, we appreciate the opportunity to provide comments on the ACF draft regulatory language and we thank you for your consideration. If you have any questions about or wish to discuss this matter, please feel free to contact Mesa Water's Water Policy Manager, Stacy Taylor, at StacyT@MesaWater.org or 714.791.0848.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Shawn Dewane', with a stylized, flowing script.

Shawn Dewane
Mesa Water Board President

c: Association of California Water Agencies
California Municipal Utilities Association
California Special Districts Association
Mesa Water Board of Directors
Paul E. Shoenberger, P.E., Mesa Water General Manager
Dennis Albani and Annalee Akin, California Advocates