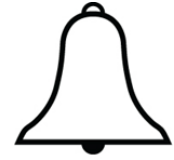


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GENERAL MANAGER



Santa Margarita Water District

April 7, 2023

Deputy Executive Officer
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Santa Margarita Water District Comments on Draft Advanced Clean Fleets (ACF) Regulation

The Santa Margarita Water District (“District”) appreciates the opportunity to provide comments on the ACF draft regulatory language (March 23 iteration) for public fleets as proposed by California Air Resources Board (“CARB”) staff. While the latest iteration of the ACF regulation reflects some of the exemptions and extensions that have been requested, we remain seriously concerned with the following and must request further amendments accordingly:

Timelines and Public Funding. The proposed regulations continue to impose aggressive timelines for public fleets to comply and do not consider existing 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 some quick trenching in the parking lot. Upgrading infrastructure, purchasing vehicles, training workforce, and complying with mandated reports is not something local agencies can easily comply with. Inflation and other cost increases have already stretched budgets to their limits.

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. 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. It will take at least a year to put together a funding plan and then 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.

We operate a fleet of 150+ vehicles that are necessary to perform ongoing maintenance as well as respond to emergencies as they occur. In evaluating the proposed ACF regulations, we have concern over the availability of vehicles as we begin planning for the conversion of passenger and light-duty vehicles to ZEVs. The District ordered electric vehicles some two years ago. We have been on a wait list since.

With respect to conversion of our heavy duty vehicles, we have been unable, so far, to identify an electrification solution which would allow our heavy duty vehicles the necessary uptime to respond to catastrophic and other emergencies such as a sewer spills or line backups or a water main breaks.

While savings may eventually manifest from retiring or repurposing assets oriented to internal combustion engines (ICE), they will have no effect on the upfront capital expenses. For these reasons, we believe that local governments need an extension of at least four years from regulation adoption and we encourage the State of California to develop a substantial grant program to support local governments in complying without imposing an undue burden upon their ratepayers and taxpayers already struggling to make ends meet at this time of high inflation.

Exemptions. Local agency vehicles 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:

- Valve trucks, welding trucks, vector trucks and other 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.

Inventories. We request CARB provide a list of available manufacturers that have market-ready vehicles in the medium- to heavy- duty class sizes, 2B- 8. Availability of model/body types of multiple weight classes (and functions) are not confirmed by fleets, but rather by manufacturers informing CARB that models will be available.

Again, thank you for allowing us the opportunity to provide written responses to the proposed ACF Regulations.

Sincerely,



Daniel R. Ferons
General Manager

cc: California Special Districts Association (via email: advocacy@cda.net)