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December 5, 2008

California Air Resources Board  
1001 "I" Street  
P.O. Box 2815  
Sacramento, CA 95812

**RE: PROPOSED ON-ROAD DIESEL TRUCK AND BUS REGULATION**

Gentlemen:

The California Air Resources Board (CARB) is currently considering the adoption of an on-road diesel truck and bus regulation that, if implemented as presently drafted, would have a profound, negative impact on California's economy.

I want to be clear: Desert Water Agency is very supportive of reducing particulate matter (PM) and NOx emissions from diesel engines. There is no disagreement that we need to work collectively to improve the state's air quality and all of us want to provide as healthy an environment as possible for our families, our employees, and all Californians. However, in its current form the Board's proposed regulation places a significant economic risk on our business today, jeopardizes our future viability in the water utility industry, which is already reeling from unprecedented financial turmoil and regulatory burdens.

CARB is proposing this multi-billion dollar regulation during the worst economic crisis we have experienced in recent times. California truckers, construction companies and bus operators are struggling to make ends meet in the face of a massive slow down in the construction sector due to falling home prices and home foreclosures, declining consumer confidence and spending, and a freeze in the credit markets. Utilities are also suffering from the same conditions.

Utilities like ours are being asked to dispose of equipment and assets before their useful life has been completed and purchase new equipment before it would otherwise be acquired. A combination of this proposed rule and the state of the economy have left the trade-in or resale value of our equipment worth pennies on the dollar. Our utility and others like it simply don't have the resources to retrofit our engines. Some of us may be forced to sell off our trucks at a loss and seek rate increases from our customers at a very inopportune time.

Given the multi-billion dollar cost of this regulation -- and the current volatile economic environment -- I urge you to support the alternative proposal proposed by the Driving Toward a Cleaner California (DTCC) Coalition that would give water utilities like ours the opportunity to comply with the most reasonable timeframe and flexible manner possible while still attaining aggressive emission reductions.

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In fact, CARB's own analysis of the DTCC alternative confirms that the DTCC alternative proposal achieves roughly similar emissions benefits to the proposed regulation in the long-term.

We must be careful not to forfeit California's economy and ability to move goods across the state, build construction projects, and bus our children to and from school, for the sake of protecting our environment. I look forward to working with CARB, environmental organizations, the Legislature, and other stakeholders to accomplish these goals.

Sincerely,

**DESERT WATER AGENCY**



David K. Luker  
General Manager-Chief Engineer

DKL/jit

CC: Governor Arnold Schwarzenegger, State Capitol Building, Sacramento, CA 95814  
Senator-elect John Benoit, 541 N. Main Street, Suite 104-211, Corona, CA 92880-2048  
Assembly Member-elect Manuel Perez, P.O. Box 7, Coachella, CA 92236