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Ms. Lauren Sanchez, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95812-0100

RE: Inland Empire Utilities Agency Feedback on Second 15-Day Amendments to the Advanced Clean Fleets Regulation

Dear Chair Sanchez and Members of the Board:

On behalf of the Inland Empire Utilities Agency (IEUA), we are writing to provide feedback on the California Air Resources Board's (CARB) second 15-day modified language for the Advanced Clean Fleets (ACF) regulation.

As a wholesale water supplier and regional wastewater treatment agency serving nearly one million residents in southwestern San Bernardino County, IEUA provides essential public services, including recycled water production, wastewater treatment, and groundwater recharge, that depend on the daily operation of a reliable and responsive heavy-duty fleet. IEUA previously urged CARB to delay implementation of public agency heavy-duty fleets and to revisit key elements of the regulation that do not reflect the operational realities of public utility service, including commercial availability, workable exemption pathways, infrastructure readiness, and the need to preserve mission-critical operational capacity.

While IEUA appreciates CARB's continued engagement with public agencies and other stakeholders, the second 15-day language heightens uncertainty regarding how the ACF regulations may apply to contracted fleets and hired vehicle operations. As currently drafted, the proposal extends compliance-related implications beyond vehicles owned, leased, rented, or directly operated by a public agency to include vehicles used by contractors to provide services to that agency. For agencies such as IEUA, this is a significant concern. Contracted vehicle support is often necessary to maintain continuity of service, address emergency conditions, perform specialized operational work, and respond to periods of elevated demand.

Public agencies should not be treated as fleet owners or compliance guarantors for contractor-owned and contractor-operated vehicles that are outside the public agency's ownership, procurement control, fleet management, fueling decisions, charging infrastructure, and vehicle

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replacement authority. Public agencies routinely contract for services to maintain essential operations, respond to emergencies, and obtain specialized support; they do not thereby become the owner or operator of the contractor's fleet. This distinction is particularly important for water and wastewater utilities, where vehicles are often one component of a broader contracted service, and public agencies do not control those vehicles in the same manner they control their own fleets.

IEUA currently relies on nine contracted arrangements involving vehicle-supported operations, used on an as-needed basis, including routine maintenance support. These arrangements may involve specialized services such as vacuum trucks, dump trucks, crane-supported services, flatbeds, service trucks, loaders, hauling vehicles, and other equipment necessary to complete utility work safely and effectively. If ACF compliance requirements are applied in a manner that limits access to those contracted resources, IEUA could face reduced access to specialized equipment, delayed response times, increased procurement difficulty and cost, fewer qualified bidders, and diminished operational flexibility in circumstances where timely action is necessary to protect public health, maintain regulatory compliance, and preserve continuity of critical utility operations.

IEUA also shares the concern raised by the wastewater sector that the proposed contracted vehicle language would affect how public agencies would procure services, structure contracts, manage emergency work, and maintain access to qualified contractors. Public agencies operate under formal procurement rules, budget cycles, rate-setting processes, public works requirements, and capital planning timelines. Contracts cannot always be amended, rebid, or replaced quickly, particularly where specialized services or emergency response capabilities are involved.

The proposed hiring compliant fleets provisions raise similar practical concerns. As currently drafted, these provisions require hiring entities to verify fleet compliance status, obtain signed statements in certain circumstances, include disclosure language in contracts or contract addenda, maintain documentation for multiple years, and produce records to CARB upon request. These requirements may appear administrative on paper, but they would be difficult to implement across the range of public agency contracts that may involve covered vehicles, including service contracts, construction contracts, maintenance agreements, emergency response arrangements, on-call agreements, and specialized service procurements.

Many of these agreements involve subcontractors that may use covered vehicles in ways that are not fully known at the time of contracting. This is especially true for emergency work, on-call work, capital projects, and specialized field operations. Public agencies may not know, select, dispatch, fuel, charge, maintain, replace, or directly control every vehicle used by a contractor or subcontractor in the performance of a broader service. As a result, the proposed language risks placing public agencies in the position of policing contractor fleet compliance on CARB's behalf without providing a realistic mechanism for doing so.

If contractors determine that public agency work may expose them to new ACF compliance obligations, documentation requirements, or contract risks, they may increase prices, decline to bid, limit availability, or refuse emergency or on-call work. For specialized utility services, where the pool of qualified contractors is already limited, even modest reductions in contractor availability could have significant operational consequences.

For these reasons, IEUA respectfully urges CARB to further revise and clarify the second 15-day language so that the regulation is workable in practice for public utility fleets and does not impose compliance obligations that outpace public agency control, vehicle availability, infrastructure readiness, contractor availability, and essential service needs. IEUA specifically requests that CARB make the following revisions or clarifications:

1. **Clarify the regulation's application to contracted vehicle operations.**
CARB should clearly state that public agencies are not treated as fleet owners of contractor-owned or contractor-operated vehicles merely because they contract for services involving vehicle-supported work, particularly for emergency response, specialized field services, construction support, maintenance, regulatory compliance activities, hauling, and other essential utility operations.
2. **Clarify that contractor-owned and contractor-operated vehicles are not included in public agency fleet compliance calculations.**
CARB should clarify that contracted vehicles are not included in a public agency's fleet inventory, ZEV purchase obligation, ZEV milestones compliance obligation, or other public agency fleet compliance calculations merely because the public agency contracts for services involving vehicle-supported work. For purposes of public agency fleet compliance, vehicles should be attributed to the public agency only where the public agency owns, leases, rents, or directly operates the vehicles.
3. **Exclude incidental, subcontracted, emergency, short-term, and on-call vehicle use from public agency compliance obligations.**
CARB should clarify that vehicles used incidentally in the performance of broader service contracts, vehicles used by subcontractors or lower-tier contractors, vehicles used for short-term, emergency, or on-call services, and vehicles that the public agency does not select, dispatch, fuel, charge, maintain, replace, or control are not part of the public agency's fleet for purposes of ACF compliance.
4. **Revise the hiring compliant fleets provisions so that public agencies are not required to police contractors' fleet compliance.**
CARB should ensure that any hiring fleet requirements are practical for public procurement, emergency response, capital project delivery, and essential utility operations. Public agencies should not be required to obtain compliance representations,

maintain contractor fleet compliance records, or assume responsibility for vehicles outside their control in a manner that is impractical or could delay essential services.

5. Recognize the operational and financial impacts on essential public health and safety services.

CARB should account for the operational, procurement, contractor, and ratepayer impacts that result when compliance obligations outpace vehicle availability, infrastructure readiness, market capacity, or public agency control. Public agencies should not be placed in a position where preserving compliance requires reduced operational flexibility, diminished emergency responsiveness, fewer qualified contractors, or significant cost increases that ultimately fall on the ratepayers who fund essential water and wastewater services.

IEUA remains committed to working collaboratively with CARB on practical policies that advance environmental objectives while preserving essential public utility operations. At the same time, CARB's regulatory framework must be clear, implementable, and workable for public agencies charged with protecting public health and the environment every day, including during emergencies, storms, power outages, spills, and other conditions where operational flexibility is indispensable.

Thank you for the opportunity to comment on this important regulatory language. IEUA respectfully urges CARB to revise the second 15-day language accordingly and welcomes continued engagement with CARB staff regarding the practical implications of the proposed language for water and wastewater utilities and other agencies with critical service obligations.

Sincerely,

INLAND EMPIRE UTILITIES AGENCY

A handwritten signature in blue ink, appearing to read 'Kevin L. Alexander', is positioned above the printed name.

Kevin L. Alexander, PE, ACE
General Manager