Crescenta Valley Water District

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Submitted Via Electronic Submittal

Clerk's Office
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Dear California Air Resources Board:

Re: Comments on the Second 15-Day Rulemaking Package for the Advanced Public Clean Fleets Regulation

The Crescenta Valley Water District (District) appreciates the opportunity to comment on the California Air Resources Board's (CARB's) Proposed Amendments to the Advanced Clean Fleets (ACF) and Low Carbon Fuel Standards Regulation, dated June 1, 2026 (the June 2026 15-Day Rulemaking Package) and accompanying guidance documents. The District is committed to transitioning its fleet and operational equipment with a goal of achieving carbon neutrality and, accordingly, has been working towards compliance since 2024. As with any transition, this requires balancing this worthy goal with the ability of the District to provide reliable and efficient public service and immediate responses to emergencies. This new rulemaking package appears to substantially change the scope of application of the ACF Rules to public fleets in such a way that the District feels compelled to respectfully submit the following comments.

Following a CARB September 25, 2025, hearing, high-priority and federal fleets were relieved of compliance with the CARB ACF rules that became effective in 2024, ostensibly because the United States Environmental Protection Agency (EPA) has not granted the necessary waiver under the Clean Air Act. As a result, only State and Local Government (SLG) fleets remained subject to the ACF Regulation.

On April 2, 2026, CARB released the first 15-Day Rulemaking Package, which added flexibility for SLG . The first 15-Day Rulemaking Package revised the definition of "fleet owner". Many members of the regulated community inquires whether SLGs that contract with private firms to perform public services (e.g., maintenance, hazardous waste hauling, etc.) would be responsible for their contractors' CARB-compliant vehicles.

On June 1, 2026, CARB issued the Second 15-Day Rulemaking Package and the accompanying "Second Notice of Public Availability." CARB stated that vehicles operated by State and local governments, including those under contractual arrangement, are part of the government entity's fleet for purposes of the regulation. CARB believed that the newly proposed amendments remove the issues raised in public comments. Although the District appreciates that CARB's intention was to clarify the issue, the Second 15-Day Rulemaking Package raises many questions, lacks clarity and substantially expands the scope of the original proposed rule. As a result, the District respectfully submits the following comments on the Second 15-Day Rulemaking Package.

At the outset –

- Crescenta Valley Water District provides safe, potable drinking water and wastewater collections to areas of Glendale, La Crescenta, and La Cañada-Flintridge. The District's collection system extends through the Los Angeles-Glendale Water Reclamation Facility (LAGRWP) for treatment and reclamation with a final destination of Hyperion (LA Sanitation). This includes construction and maintenance of infrastructure to ensure public health, safety and reduction in environmental impacts to our community.
- Composition of fleet – The District's fleet is comprised of light-heavy duty vehicles, off-road (including two stationary generators) as well as specialty vehicles (Vactor/Combo unit) which are all required to maintain, construct and upgrade infrastructure.
- Efforts to comply with the rule since 2024 – The District committed to offsetting necessary vehicle replacements with EV and other compliant vehicles beginning in 2024.
- Transition plan – The District has strategized compliance by strategically fulfilling maintenance and infrastructure needs with an offsetting EV purchase and implementing group purchases that defer to the following year to remain in compliance and maintain our commitment to regulations. The District is committed to the CARB-required testing parameters and programs.
- Efforts to address GHG – The District has familiarized itself with CARB emissions regulations and reporting requirements and remains transparent in their reporting and active in implementing actionable mitigation measures to reduce emissions. The District has dedicated resources and specific positions to actively pursue training opportunities to understand, recognize and develop reduction strategies.
- Compliance requirements under local air district rules such as SCAQMD Rule 1196 – The District is currently registered and compliant with a dedicated plan to continue reducing emissions. The regulatory department is currently working on implementing a modular purchasing plan that meets The Districts needs while increasing emissions reduction.

<u>The Second 15-day Proposed Changes Lack Clarity, Create Many Issues For Compliance Due to Ambiguity, And Expand The ACF requirements Beyond the Initial Rule</u>

Under the Proposed Second 15-Day Rulemaking Package, Section 2013(a)(1) and (b) of the rule have expanded definitions. The original rule contemplated applicability to an SLG that "owns, leases or operates, one or more vehicles specified in section 2013(a)(2) ….". The Proposed Amendments modify it as follows:

Fleet Applicability. This article applies to any state or local government agency with jurisdiction in California that owns, leases, rents, contracts for the operation of, or operates one or more vehicles specified in section 2013(a)(2) in California on or after January 1, 2024. This article does not apply to federal fleets.

Therefore, the definition to vehicles and what constitutes a public fleet has been expanded and this new definition includes "*rents, contracts for the operation of*".

In addition, definitions under section 2013(b) have also been changed:

> "Fleet" or "total fleet" means one or more vehicles owned or operated by a fleet owner. It also includes contracted vehicles that are considered owned by the "fleet owner" as defined in section 2013(b).
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> "Fleet owner" means the person or entity who owns, rents, leases, operates, or contracts for the operation of the vehicles comprising the fleet. The owner shall be presumed to be either the person or entity registered with the California Department of Motor Vehicles (DMV) as the owner or lessee of a vehicle, or its equivalent in another state, province, or country; vehicle ownership is based on the vehicle registration document or the vehicle title, except as specified below:
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> *For vehicles that are rented or leased from a business that is regularly engaged in the trade or business of renting or leasing motor vehicles without drivers, including truck leases that are part of a bundled service agreement, the owner shall be presumed to be the rental or leasing entity for purposes of compliance, unless the rental or lease agreement for the vehicle is for a period of one year or longer.*
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> For vehicle leases or rental agreements for a period of one year or longer with a signed date before January 1, 2027, if the terms of the rental or lease agreement identify the renting operator or lessee of the vehicle as the party responsible for compliance with state laws, then the fleet owner shall be considered the rental or lease business.

The guidance documents accompanying the proposed amendments provide that:

> "The regulation applies to public services performed by a SLG; including functions carried out through contractual arrangements".

Therefore, there is a severe expansion of the applicability of the rule and also a disconnect and ambiguity between the rule and the guidance documents. This situation creates confusion, generates compliance exposure to the SLGs, and leads to inconsistent implementation. There is no clarification as to what constitutes a contract under the rule triggering its applicability. For example, the District contracts with Coastline, United Rentals, Sunbelt Rentals, MBT, etc. for off-road equipment, heavy duty vehicles and hauling, e.g. – hauling, hazardous waste, transportation of chemicals, emergency services. The District contracts both short-term and long-term services to ensure construction of water mains and other infrastructure including hauling materials, renting backhoes and a variety of other construction equipment. Are these contracts covered by the rule? Is the rule applicable even if it is a one-time, short-term contract or a contract for an emergency? The current language does not answer these questions. Compliance under a broad interpretation of the new language added leads to exponential increases in costs. For instance, the District projects rates for three years based on annual budgets and analyses such as cost-benefit and breakeven. The District operates under strict budgets based on historical costs and have promised the ratepayers to be financially responsible, reduce environmental impacts, and upgrade infrastructure to maintain delivery of safe, potable water and SSO (sewer spills) mitigation. Under these new guidelines, our operating budgets for fleet, equipment, and services would increase, impacting rates to our community. Our current fleet budget has increased by about 25-30% due to new regulations and will continue with even more strict guidelines.

Furthermore, private companies also provide service to other SLGs so the same vehicular unit could be providing a service to different public entities in a short period of time. Applying the rule as proposed would lead to counting the same vehicle multiple times for different fleets, thus defeating the purpose and reporting requirements of the original rule. Without clarification, there is not only a risk of non-compliance, but also the almost impossibility of monitoring by CARB.

CARB should not Adopt This Amendment Through Government Code Section 11346.8(c)

CARB is typically required to provide a 45-day public review period so there is a meaningful opportunity by the stakeholders to review and comment on the full scope of the proposed regulations. CARB, however, has invoked Government Code section 11346.8(c), which allows a 15-day period for notice and comments, but only when the proposed changes are "sufficiently related to the original text that the public was adequately placed on notice that the change could result from the originally proposed regulatory action." As described above, the definitions have been changed in such manner that now the rule arguably applies to a number of vehicles never contemplated by the original rule. The number covered now would be exponentially larger when *"contracted for"* vehicles are included. Perhaps that was not CARB's intent and if that is the case, the rule should make clear that it is not.

Rules Must Be Clear, Consistent with Other Laws and Non-Duplicative, But The Proposed Amendments are Not

Government Code § 11349, et seq. requires regulations to be clear, consistent with other laws, and non-duplicative. As explained above, the proposed amendments are not clear. Instead, they lead to uncertainty in scope, inconsistency, compliance risk, and duplicative reporting. Perhaps more problematic, they could be interpreted as inconsistent with CARB's withdrawal of the proposed ACF rules for private fleets and preempted by federal rules. CARB has withdrawn ACF rules for private fleets, but as currently worded, the proposed amendments can be seen as indirectly imposing ACF requirements on private fleet owners who seek to contract with public fleets. This expanded application of ACF is likely to trigger legal challenges under several federal and state laws. Both CARB and SLGs could be the subject of these legal challenges.

In light of the above, while the District remains committed to working with CARB to protect the environment, reduce emissions of GHGs, and transition public fleets to low or zero emissions vehicles, the District requests that CARB do not adopt these newly proposed amendments. At a minimum, the District requests that CARB do not proceed under the current 15-day public review process, but instead proceed under the appropriate 45-day public review period so there is a meaningful opportunity by the regulated community to review and comment on the full scope of the proposed regulations.

If you have any questions or need any further information, please do not hesitate to reach out to James Lee, General Manager, at jlee@cvwd.com.

Sincerely yours,

James D. Bodnar
President, CVWD Board of Directors