

**SAN JOAQUIN VALLEY
AIR POLLUTION CONTROL DISTRICT**

**FARMER
AG TRUCK REPLACEMENT
PROGRAM**

Truck Replacement

PROGRAM GUIDELINES

The San Joaquin Valley Air Pollution Control District (District) is currently accepting applications from Agricultural truck owners for the replacement of eligible trucks according to the terms and conditions described in these guidelines. The goal of this program is to reduce emissions from diesel engines in heavy-duty trucks that operate 100% of the time within California and 75% within the District boundaries (see page 12 for map). For additional information, assistance or to receive program materials, please contact:

**San Joaquin Valley Air Pollution Control District
Strategies and Incentives Department
1990 East Gettysburg Avenue
Fresno, CA 93726-0244**

You may also contact us by phone, e-mail, or visit our website at:

**(559) 230-5800
grants@valleyair.org
www.valleyair.org/grants**

I. PROGRAM OVERVIEW

A. General Information and Eligibility

1. Must be in currently compliance with the State of California's On Road Truck and Bus Regulation under the following compliance options:
 - a. Agricultural Vehicle Extension
 - b. Low –Use Exemption
 - c. Specialty Agricultural Vehicle Extension
 - d. Model Year Schedule **and** the truck must operate as an “agricultural vehicle” as defined in the Truck and Bus Regulation.

2. The “Agricultural Vehicle” definition according to the Truck and Bus Regulation is below:

“Agricultural Vehicle” means a vehicle that is eligible to utilize the requirements for agricultural vehicles in section 2025(m) and meets one of the definitions of (A) through (E) below.

- (A) A vehicle, or truck-tractor and trailer combination, owned by a farming business and used exclusively in one or more of the following ways:

1. in agricultural operations;
2. to transport harvested farm products to the first point of processing;
3. to directly support farming or forestry operations, which may include supply trucks, cattle trucks, and other vehicles but does not include vehicles that do not directly support farming operations such as personal use vehicles, vehicles rented or leased to others for non-agricultural uses that do not qualify, or vehicles used in a transportation business other than to transport harvested farm products to the first point of processing.

- (B) A vehicle, or truck-tractor and trailer combination, owned by a bee keeping business and used exclusively to transport their own bees or honey to the first point of processing.

- (C) A truck, or a truck-tractor and trailer combination, that is required to display a hazardous material placard during delivery and exclusively delivers fertilizer or crop protection chemicals that require placard identification for use in agricultural operations from a distribution center to a farm and back, and is owned by a business holding a valid fertilizer or pest control license.

1. Owners of such vehicles must hold:

- a. a valid pest control dealer license issued by the California Department of Pesticide Regulation as required under Food & Agricultural Code, Division 6, Chapter 7, Article 6, Section 12101;
or
 - b. a valid fertilizing materials license issued by the California Department of Food and Agriculture as required under Food & Agricultural Code, Division 7, Chapter 5, Article 4, Section 14591(a).
2. Such vehicles must exclusively carry products defined under one of the following, and be required to display an appropriate placard, as required by the United States Department of Transportation:
- a. 49 CFR, CHAPTER 1, PART 173.127 (Division 5.1); or
 - b. 49 CFR, CHAPTER 1, PART 173.132 (Division 6.1); or
 - c. 49 CFR, CHAPTER 1, PART 173.115 Class 2, (Division 2.1, 2.2, and 2.3);
or
 - d. 49 CFR, CHAPTER 1, PART 173.136 Class 8; or
 - e. 49 CFR, CHAPTER 1, PART 173.140 Class 9.
- (D) A truck, or truck-tractor and trailer combination, designed for in-field operations, that is exclusively engaged in agricultural operations on the farm. Examples include truck configurations designed to spread manure, dispense hay, and dispense freestall bedding. It also includes water trucks and trucks designed or modified to be used exclusively for the dusting, spraying, fertilizing, or seeding of crops. Except as allowed in (A) above, trucks, or truck-tractor and trailer combinations that transport any products, materials, personnel, or equipment are excluded.
- (E) A truck, or truck-tractor and trailer combination, including yard trucks, that exclusively transports any unprocessed horticultural, viticultural, aquacultural, forestry, dairy, livestock, poultry, bee or farm products such as raw, unprocessed crops, livestock, fish, or fowl between the farm and where the first point of processing occurs after harvest. Also included are trucks that are used to harvest crops for silage, and trucks that transport unprocessed agricultural materials from forest or farm to a biomass facility.
3. Operate 100% of the time in California and 75% in the boundaries of the District.
 4. Have a Gross Vehicle Weight Rating (GVWR) of 14,001 pounds or more
 5. Based on program demand, the District reserves the right to limit funding to \$500,000.00 per entity per fiscal year.

B. Funding: Funding will be provided at 65% of the cost of the eligible replacement truck.

C. Dealership Requirements:

The applicant must use a dealership when purchasing the new or used truck. The dealership the applicant chooses must warrant that they meet the following minimum qualifications and will continue to meet these qualifications throughout participation in the Program:

- (1) Dealership has had a valid business license issued in California for a minimum of the last two years.
- (2) Dealership has had a valid vehicle dealership license with DMV for a minimum of the last two years
- (3) Dealership maintains a minimum of one employee that has successfully completed the training by the air district regarding terms, conditions and requirements of the Program. If a participating dealership maintains more than one location for truck sales, then each location must have at least one employee trained.
- (4) Dealership agrees to allow the air district or CARB to inspect vehicles or audit program records covered under the Moyer Program Guidelines during normal business hours.

II. APPLICANT REQUIREMENTS

A. The applicant must meet the following eligibility requirements:

1. Have owned and operated the current truck for, at minimum, the past 24 months.
2. Submit a completed application to the District.
3. Not purchase, make down payments, or take possession of the replacement truck under funding consideration prior to the issuance of a complete contract—doing so will render a project ineligible.
4. Be currently in compliance with the applicable California Air Resources Board's (CARB) Truck Regulations and submit documentation which indicates the fleet's selected compliance option indicated above.
5. Participants must maintain ownership of the replacement truck for three years.
 - a. If, during the life of the project, the truck needs to be sold, the District must approve the truck ownership change **prior** to its sale. The new owner of the truck must be willing to assume the Program obligations with the District and comply with the terms and conditions outlined in the FARMER Program guidelines.
6. Maintain replacement value insurance for the replacement truck through the full project life.
7. Demonstrate proof of a minimum 12 month/100,000 mile major component engine warranty for the replacement truck commencing on the day the new truck is purchased as indicated on the final invoice submitted for reimbursement.
 - a. Replacement used trucks are not subject to warranty requirements, but the participant must ensure that the truck remains in operation for the life of the contract.
8. Submit annual reports to the District through the full project life as well as comply with recordkeeping and audit requirements.
 - a. Current truck registration and insurance documentation must be kept.
9. Surrender the current truck to a District approved dismantler for scrapping. See page 10 of these guidelines for a description of the Dismantler requirements and approved method of destruction.

- a. The truck must be delivered to the dismantler in operating condition.
10. Agree to allow the District or its representative(s) to inspect the replacement truck upon request any time for the duration of the project life.
11. Properly maintain the replacement truck in good operating condition and according to manufacturer's recommendations.
12. Certify that there are no outstanding ARB violations for equipment associated with the truck on the application.
13. **Military Service Provision:** If an applicant has been on active military duty at any time during the previous twenty four (24) months, documentation prior to deployment and covering the same length of time as the deployment period may be used to meet the title, registration, usage, and operation in California requirements. Applicant must submit a copy of DD Form 214, certificate of Release or Discharge from Active Duty, to verify military service during the deployment period.

III. ELIGIBILITY REQUIREMENTS

A. Truck Documentation

The following documentation must be submitted for each truck on application.

1. Copy of **title**, free of any lien holders, on which the applicant is listed as the registered owner of the truck.
 - a. Titles on which the lien holder has signed the release of interest for the truck will be accepted.
2. Proof of insurance for the past 2 years
3. California Registration for the past 24 months – May not include IRP registration
 - a. If the past 24 months of DMV documentation is not available the following documentation may be substituted:
 - i. The previous 8 consecutive months of DMV registration supplemented by alternate documentation showing California operation for the past 24 months and proof of insurance for the past 24 months.
 - ii. DMV Vehicle Registration Information record may be provided to show previous 8 transactions at the DMV for your truck. The DMV printout may be obtained by submitting a Request for Driver Record information form (INF 1125) to the DMV. You may also obtain and pay for the DMV printout online at <http://www.dmv.ca.gov/online/vrr.htm>
 - b. Partial Year Registration Exception: If the current truck operates seasonally, the registration must indicate partial year registration and must cover at least 3 months per 12 month period for the previous 24 months.
 - c. Other documentation approved by the District

B. Truck Eligibility

Current (Old) Truck

1. Have a Gross Vehicle Weight Rating (GVWR) of 14,001 pounds or more
2. Be owned by the applicant for the past 24 months.
3. Be registered in the CARB Truck Regulations Upload and Compliance Reporting System (TRUCRS) with either of the following provisions:
 - a. Agricultural Vehicle Extension
 - b. Low –Use Exemption
 - c. Specialty Agricultural Vehicle Extension
 - d. Model Year Schedule **and** the truck must operate as an “agricultural vehicle” as defined in the Truck and Bus Regulation.
 - i. Fleets that are using the Model Year Schedule are not required to be in TRUCRS according to the Truck and Bus Regulation however in order to qualify for funding these trucks along with the entire fleet must be in TRUCRS.
4. Operate one hundred percent (100%) of the time within California and 75% within the District boundaries (page 12) for the past 24 months prior to the application submission date.
5. Be in operating condition at the time of application submission.
 - a. Operating condition will be determined through submission of odometer reading in the TRUCRS account from the beginning of the year and current photos taken at the time of application. Trucks found to be inoperable during the inspection process will be deemed ineligible for the Program.
 - b. The existing vehicle must meet the criteria for an LHD vehicle, MHD vehicle, or an HHD vehicle as defined in the table below

Table 1

Vehicle Classification	GVWR
Light Heavy-Duty (LHD)	14,001-19,500 pounds
Medium Heavy Duty (MHD)	19,501-33,000 pounds
Heavy Heavy Duty (HHD)	Over 33,001 pounds or greater

Replacement Truck

1. Must be equipped with an engine that, at minimum, meets the 2012 emission standard of 0.20 g/bhp-hr NOx (FEL and CERT values) and be a 2012 model year truck or newer.
2. Replacement used trucks must have less than the miles indicated below on the odometer:
 - a. Class 8 with a GVWR of 33,001 pounds or greater must have less than 650,000 miles.
 - b. Class 7 with a GVWR of 26,001 – 33,000 pounds have less than 350,000 miles.
 - c. Class 4-6 with GVWR of 14,001 – 26,000 pounds have less than 25,000 miles.
3. Must have a GVWR rated at 14,001 pounds or greater.
4. The engine's primary intended service class must match the replacement vehicles weight class. See table 1 above. As an exception, an HHD engine may be installed in an MHD vehicle if necessary for vocational purposes, but only if the GVWR is within 10 percent of the engine's intended service class. Also, a MHD engine may be installed in an HHD vehicle, but only if the GVWR is within 10 percent of the engine's intended service class.
5. Must not be a glider kit.
6. Must operate one hundred percent (100%) of the time within California and 75% within the District boundaries (page 12) during the project life.
7. Must commit to being registered with the DMV within the District boundaries (page 12) during the project life.
8. The new truck must have a minimum 12 month/100,000 mile major component engine warranty for the replacement truck commencing on the day the new truck is purchased as indicated on the final invoice submitted for reimbursement.
9. Horsepower: the replacement engine horsepower must be no more than 25 percent greater than the existing engine horsepower. In limited situations, such as the non-availability of the original horsepower range for the specific application, the air district may approve a greater than 25 percent increase in horsepower.
10. Upgrades to new trucks that add to the cost of the truck may be eligible for funding upon determination of the air district. Otherwise, FARMER funding may only be used to fund the 'base model' that will serve the same function as the older truck.

C. General

1. The District may consider projects that deviate from the guidelines on a case-by-case basis.
2. Remedies for project non-performance may include, but are not limited to, the following:
 - a. Recovery of all or a portion of the Program funds.
 - b. Other fiscal penalties on the truck owner based on the severity of non-performance.
 - c. Prohibiting the truck owner from participating in future District incentive programs.

- d. Prohibiting a specific truck from participating in other District incentive programs.

IV. APPLICATION PROCESS

A. Completing an Application

The application forms A1 and A2 must be **filled out completely and as accurately as possible**. Do not leave any fields blank, as it lengthens the processing timeframe associated with the application and delays funding.

A copy of the following items must accompany the application at the time of submittal in order for the application to be deemed complete:

1. Internal Revenue Service (IRS) Request for Taxpayer Identification Number and Certification Form W-9 (Form W-9).
 - a. The **information entered into form A1 of the application must be identical to the information on Form W-9**, as this information will be used to generate all binding documents and be used to report incentive funding to the IRS.
 - b. A copy of the IRS Form W-9 can be downloaded at www.irs.gov or by calling 1-800-829-3676.
2. Compliance verification.
 - a. A Copy of the CARB Compliance Summary and Fleet Summary from TRUCRS online reporting system.
 - b. Copy of CARB reporting Compliance certificate
 - c. Other documentation approved by District staff that clearly shows current compliance.
3. Copy of the current truck title.
 - a. The title must be clear of any lien holders.
4. Copy of DMV Registration for the past 24 months
 - a. If the past 24 months of DMV documentation is not available the following documentation may be substituted:
 - i. The previous 8 consecutive months of DMV registration supplemented by alternate documentation showing California operation for the past 24 months and proof of insurance for the past 24 months.
 - b. Partial Year Registration Exception: If the current truck operates seasonally, the registration must indicate partial year registration and must cover at least 3 months per 12 month period for the previous 24 months.
 - c. Other documentation approved by the District
4. Copy of proof of insurance for the past 24 months that is specific to the current truck.
5. Dated and itemized dealer quote for the replacement truck that includes:
 - a. Applicant/business name and address.

- b. Dealer name and address.
 - c. Make, model, and year of the truck and engine.
 - d. GVWR of replacement truck
 - e. Breakdown of total costs including tax, license and applicable fees.
6. GVWR may be documented with a photo of the vehicle manufacturer tag or a copy of the manufacturer build sheet.
 7. Usage Documentation - Odometer reading in the TRUCRS (Truck Regulation Upload, Compliance and Reporting System) account from the beginning of the year and current odometer reading photos taken at the time of application. Other documentation may be approved by the District on a case-by-case basis.
 8. Engine verification – Digital photographs of the existing vehicle must be verified by the air district. All photographs must be clear, and all VIN and engine serial numbers must be legible. Photographs of the old vehicle must include the following views:
 - a. Right Side – hood down
 - b. Front – hood down
 - c. Left side hood down
 - d. Rear
 - e. VIN Tag – inside vehicle or on the frame rail.
 - f. Engine serial number and engine information, if available (make, model year, engine family) – either tag or stamp on block.*
 - g. License plate
 - h. Left and right side of engine.

* If engine data tag is missing verification can include a letter or printout from an engine manufacturer or dealership.

Picture submittal:

- Photographs may be emailed to the following District email listed below and must have applicant's name and address in the subject line. Truck VIN must be written in the body of the email. Emails may not be larger than 14 MB (megabytes) total.
- Email submittal for pictures: grants@valleyair.org

B. Steps of the Application Process

1. Truck Owner submits an application to the District
2. District Staff reviews it to determine if it is complete, incomplete, or ineligible
 - a. If complete, the District will notify the applicant.

- b. If incomplete, the District will notify the applicant and request missing or additional items/information as needed.
 - c. If ineligible, the District will notify the applicant with reason(s) for ineligibility.
3. Staff will review all submitted documentation and prepare project for contract.
4. A Draft Contract will be sent to the applicant for review and signature. The signed contract will be returned to the District for additional District signature.
 - a. A contract is not valid until **ALL** signatures have been obtained
 - b. Applicant **MUST NOT** purchase or otherwise become financially committed to the new truck until the contract is signed by the applicant and the District.
 - c. Equipment leasing is not allowed. If financing is necessary, the equipment purchase must be financed with a conventional purchase loan.
5. Once all signatures are obtained, the District will execute the contract and send a completed copy to the applicant.
 - a. Once the applicant receives this copy the new truck can be purchased or ordered.
 - b. A Payment Procedure packet will also be provided with a step-by-step guide on how to request reimbursement for the grant. Payment will be issued to the participant within sixty (60) working days of a completed post inspection which includes verification that the new equipment is operational and current equipment has been properly destroyed in accordance with program requirements.

V. DISMANTLER REQUIREMENTS

The Program requires the current truck to be permanently destroyed. Destruction of the current truck's chassis and engine permanently removes the old, high-emitting truck from operation. This requirement has been established to ensure that emission reductions are real. It prevents the current truck from being moved into another locale to continue emitting high levels of pollutants. A list of participating dismantlers can be found at <http://valleyair.org/grants/FARMER.htm> that current trucks can be delivered to for destruction.

A. Eligibility

1. Dismantler is required to enter into an agreement with the District in order to participate in the Program.
2. Have at least one active employee who received training by the air district on the requirements of the Moyer Program. If a dismantler has more than one location, then the dismantler must have at least one active employee trained by the air district at each location that will be accepting engines/vehicles for the Moyer Program.
3. Be licensed by DMV as a dismantler for at least the previous two years.
4. Have had a valid business license issued in California for a minimum of the last two years.
5. Possess a current, valid California Environmental Protection Agency Hazardous Materials Generators Permit.

6. Be in compliance with all local, State, and federal laws and regulations.

B. Performance

The Dismantler must agree to perform the following dismantling requirements:

1. Destroy the current truck within 60 days of receipt.
2. Both frame rails must be completely severed between the front and rear axles.
3. A hole must be put in the engine block with a diameter of at least five inches at the narrowest point. The hole must be irregularly shaped (i.e. no symmetrical squares or circles). A section of the oil pan flange must be removed as part of the hole or have a line cut through it that connects to the hole.
4. Not destroy any identifying numbers on the truck and/or its engine such as the Vehicle Identification Numbers (VIN) or engine serial numbers.
 - a. If the truck VIN or engine serial number cannot be located, the truck must not be scrapped or destroyed until notification is made to District staff for assessment.
5. The Dismantler may not use or permit the use of the current truck, except use as necessary to move it for destruction or storage.
6. Notify the District that the current truck is destroyed and ready for inspection within 10 days of the current truck's destruction. Notification to the District of the destroyed current truck must be made using the District's Notice of Destruction Form. Additional copies of the Form can be obtained by calling program staff at (559) 230-5800.
7. Allow the destruction of the engine and current truck to be documented by the District.
 - b. The District must verify in-person the proper destruction of the current truck and its engine. District staff must also verify the current truck's VIN and engine serial number.
 - c. The Dismantler must not remove the current truck from their property, or part out a current truck, until a post-destruction-inspection by the District has been performed and the Dismantler has been given approval by the District.
8. Prepare and submit to DMV a Notice of Acquisition/Report of Vehicle "To Be Dismantled (REG 42)" ensuring the VIN can never be registered again in California. Within 60 calendar days of the dismantle inspection date, the dismantler must provide verification to the air district that the existing vehicle has been registered with DMV as non-revivable with a type transaction code (TTC) L10 or C26 on the DMV Reconciliation.
9. As specified in California Code of Regulations, title 13, section 2706(i)(3)(G), no party shall advertise, sell, lease, or offer for sale or lease, a used verified diesel emission control strategy.

APPLICANT RESOURCES

A. WEB Resources

To assist applicants participating in the District's incentive programs, the District has developed a Program Web Page. This page contains links to the California Air Resources Board website where you can obtain a

list of eligible engines, associated Executive Orders and other technical information.

The Applicant Resource Web Page can be found at <http://www.valleyair.org/grants/>

When preparing an application, we ask that you utilize the information presented within the links on this page. By submitting complete application packets with accurate information, we can reduce the amount of time and resources necessary to process your application.

VI. MAP OF DISTRICT BOUNDARIES

