

Project Name/Number: \_\_\_\_\_ Click or tap here to enter text. \_\_



**NORTHERN SONOMA COUNTY**  
Air Pollution Control District  
150 MATHESON STREET HEALDSBURG, CA 95448  
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## **FARMER Project Checklist**

### **Tractor Replacement**

V9.12.2023

These are the Standard Operating Procedures for a FARMER Off road equipment (tractor) replacement project. These do not supersede the District and State Guidelines for the FARMER and Moyer programs, nor are they inclusive of all Program requirements and District discretionary items.

**Application Submittal.** Participant submits application for equipment replacement during the announced application submission period.

- At end of application submission period, the District ranks applications for funding.
- District verifies that the project location is within the District territory. If not, disregards the application.
- Off road equipment must have >50% of their annual usage in the District territory and 100% of annual usage in California.
- Applicant Contact Information: \_\_\_\_\_ Click or tap here to enter text. \_\_\_\_\_
- District checks the latest fund spreadsheet for available funds for the ranked projects allocations. Possible funding sources are DMV Moyer or other Funding to supplement FARMER funds?

- Current available funding amount: \_\_\_\_\_ Click or tap here to enter text. \_\_\_\_\_
- Potential Funding requested by applicant (up to 80% of eligible cost): \_\_\_\_\_ Click or tap here to enter text. \_\_\_\_\_
- Use other funds to supplement FARMER funds? \_\_\_\_\_ Click or tap here to enter text. \_\_\_\_\_

District saves application to the temporary app folder (S:\\Grants\FARMER\Projects\New Applications for Review\) using the file naming protocol: "YYYY-MM-DD Applicant Name Equipment."

District logs application into the fund tracking spreadsheet. Application is assigned a provisional, temporary project number at this time just to keep track. Temp project # \_\_\_\_\_ Click or tap here to enter text. \_\_\_\_\_

District checks that the applicant is working with an authorized dealer. Authorized dealers:

- Garton Tractor
- Belkorp Ag
- Geyserville Tractor
- Pape Machinery
- Alpine Smith
- Coast Counties Peterbilt (for on-road/FARMER)
- Rush Truck Centers of California (for on-road/FARMER)
- Other Approved Dealership: \_\_\_\_\_

**\*NOTE: If the dealer is not on the above list, they will need to sign a master agreement with the District before moving forward.**

**Application Completeness Review.** The District performs basic screening to be sure the project is complete (following is only for an AG TRACTOR PROJECT).

- All application pages submitted.
- Price quote for new tractor, itemized, including tax and delivery.
- ARB Executive Order for new tractor engine.
- Manufacturer specification sheet for new tractor.
- Proof of applicant's business structure; one of the following:
  - Articles of incorporation with specific documentation identifying the corporation officers.
  - Partnership agreement.
  - Proof of sole proprietorship.
  - Other business structure documentation not listed above.
- Signature delegation letter: if the owner/partner/officer will not be signing the contract, they must provide a letter authorizing another party to sign.
- W-9 form.
- Documentation of ownership: must show ownership of old tractor for past two years
  - Bill of sale and one from the following list; or if no bill of sale, two from the following list:
    - Tax depreciation logs.
    - Property tax records.
    - Equipment insurance records.

- Bank appraisals for equipment.
- Maintenance/service records.
- General ledgers.
- Fuel records specific to the old equipment (To be used as evidence of California residency the fuel records must also identify the equipment owner).
- Other documentation approved by the California Air Resources Board and the District.

Annual usage: Must be documented for past two years. At least one of the following:

- Hour meter reading log, collected at a minimum of once/year for two years from an installed, fully functioning hour meter (preferred).
- Historical fuel usage documentation specific to the old equipment (i.e. fuel logs, purchase receipts, or ledger entries.)
- At least two of the following:
  - Revenue and usage records that identify operational, standby, and down hours for the equipment.
  - Employee timesheets linked to specific equipment use.
  - Preventative maintenance records tied to specific hours of equipment use.
  - Repair work orders specific to the equipment.
  - Six months of tracking normal equipment usage with a functional, tamper proof hour meter with prior APCD approval.
  - Other documentation approved by the California Air Resources Board and the District.
- If the above cannot be met but there is other documentation, the District has some discretion about accepting documentation. The District may need to put a minimum usage requirement in the funding agreement. The District can consult with Debbie Paselk at CARB if there are any questions about the application.

**Application Eligibility Screen.** The District performs a basic screening to see if there are any easily identifiable eligibility issues. The more in-depth eligibility evaluation will come later, but a brief screening now will help streamline the project. Things to look for with eligibility:

- Is the tractor the most recent Tier (Tier 4i/Tier4)? If not, ask the dealership for written verification that their tractor is the cleanest option available for the intended use.
- Does the info written on the application match the info in the supporting documents, i.e. the quote for the new tractor, the executive order, and the records for the old tractor?

Is the horsepower of the new tractor no more than 125% more than the horsepower of the old tractor? If it's greater, the District needs to calculate the grant based on the cost of a tractor at 125% of the existing tractor hp. Double check with the applicant on the reasons why it might be over 125% greater. Make sure there isn't a tractor available at a lower hp.

Are there options listed in the quote that are not applicable to be funded? Refer to the State and District guidelines.

Is a one-year warranty (minimum) included with the tractor? This is a requirement. If the cost of the warranty is above and beyond standard tractor cost, it has to be left out of the eligible reimbursement costs.

The District sends an email to applicant with a statement of administrative completeness, and any preliminary eligibility issues the District may have identified. If the application requires additional information, the District will provide an information request and a respond-by-date.

Respond- by date: \_\_\_\_\_ [Click or tap here to enter text.](#)

Once the application is deemed by the District to be administratively complete, the District begins the technical review. Based on application queue, the District may set a response deadline date to provide a funding offer, and record this date in the District's application tracking checklist.

Response deadline date: \_\_\_\_\_ [Click or tap here to enter text.](#)

**Application Technical Evaluation.** The District performs an evaluation to be sure the project is eligible.

Use the Moyer guidelines and District manual of procedure to review:

Like-for-like replacement (new tractor will be used for the same purpose, new tractor is not a luxury upgrade from old one, etc. Upgrades on the tractor, such as a cab upgrade from a non-cab existing tractor, must be excluded from eligible total, from which you calculate 80%.)

The rated horsepower of new tractor is preferably no more than 125% of the HP of old tractor and it must be larger than 20HP.

If the rated horsepower is over 125% of HP of old tractor, the District must calculate cost effectiveness based on the purchase price of a tractor at 125%. Any overage in cost is the responsibility of the applicant. Ask ARB liaison for assistance, if necessary.

The old tractor must be a Tier 2 or below (this may change in later versions of guidelines).

The new tractor must be eligible: (Tier 4 OR, in some cases, Tier 4 Alt 5% NOx if no other cleaner tractor is available. Ask the dealership for a letter stating there is nothing else available. Ask ARB liaison for assistance, regarding eligibility concerns about any tractor.

Read the ARB Executive Order (EO) and make sure the applicant's tractor is listed. Make sure the tier, model number\*, etc. listed on the application matches the EO. If the executive order says "FEL" or "Flex" in the emission table, check with CARB to verify the tier and eligibility.

**\*NOTE: Model numbers on CARB EOs sometimes have slight discrepancies from model numbers on production equipment. The District should confer with the dealership to verify equivalence. Often the discrepancies are just a couple digits, but typically the beginning of the model numbers are the same.**

**\*NOTE: Model and engine numbers may have discrepancies if a newer production year model is delivered due to delays in supply chain. Check CARB EO directory and/or ask the dealer for the EO authorization.**

Equipment requires a one-year minimum warranty.

CARB liaison can also be contacted by email regarding any other questions about eligibility at [deborah.paselk@arb.ca.gov](mailto:deborah.paselk@arb.ca.gov).

The District enters the tractor information into the FARMER system using the Temp Application number and verifies that FARMER system accepts the project and gives a grant amount.

For AG TRACTORS ONLY: District may offer up to 10 years to reach required cost effectiveness.

"Eligible cost" of equipment entered into the FARMER system is comprised of baseline equipment price and sales tax and must not include other fees, freight, delivery, nor luxury options that were not included with the old tractor. For example, if an old tractor had a cab and a loader and 4-wheel drive, those things can be included in the eligible cost with the new tractor. If not, the cost of those options needs to be excluded from the eligible total cost of the equipment entered into CARL.

When entering annual equipment use into FARMER spreadsheet, the average of the two annual use values provided in the application are used to calculate the incentive value.

**Funding Offer.** The District writes an offer letter/email on the equipment replacement contract terms (the District may want to round DOWN some – 1%- 5%—from the value the CARL/FARMER system generates—this is to have a round number for the grant, and in some cases, to protect the grant amount from having to change in the event the final price gets decreased). The District will provide a specific date after which the District offer is void (typically, about 10 days). Offer letter template is available in the District's Moyer templates directory.

- Offer amount: \_\_\_\_\_ [Click or tap here to enter text.](#)
- Max 10 year project life. Life for this project: \_\_\_\_\_ [Click or tap here to enter text.](#)
- Applicant's respond-by date: \_\_\_\_\_ [Click or tap here to enter text.](#)

**\*NOTE: The District should take opportunity to remind the applicant that no new equipment may be purchased before the funding agreement is executed.**

- The District emails the offer letter. Written/email response received: [Click or tap to enter a date.](#)
- Accepted or rejected? \_\_\_\_\_ [Click or tap here to enter text.](#)
- If offer is accepted, assign a Project number. Possible formats:
  - FARMER projects are named by "NSO[FARMER Year]-[sequential number]." FARMER projects are not entered into the CARL system!
  - The District updates the application log spreadsheet and the FARMER database to reflect the permanent project number. Permanent project number: [Click or tap here to enter text.](#)
  - The District updates the fund tracking spreadsheet with the project's final name and cost.

**Old Equipment ("Pre") Inspection.** The District schedules an inspection for the old equipment. In this inspection, the District will verify that the old equipment matches what is in the application. The District will take photos & video. The pre-inspection must verify the following items:

- Tires in usable condition (able to hold air, sufficient tread or tracks, etc.).
- Steering wheel operational.
- Equipment able to start up and move backwards and forwards.
- Buckets, blades, rollers, etc. are working.
- Undercarriage structurally sound.
- Fuel tank in usable condition.
- No parts stripped.
- Equipment not vandalized.

In addition, photographs of the old equipment must include the following views:

- Right Side - hood down.
- Front - hood down.
- Left Side - hood down.

- Equipment serial number.
  - Engine - left side.
  - Engine - right side.
  - Engine Serial Number - either tag or stamp on block.
  - DOORS Equipment Identification Number (EIN), if applicable (This is only for construction equipment; NA for ag tractors).
  - Rear.
  - Photo of hour meter.
  - Close-up photo of product identification plate (sometimes this number is stamped into the frame).
  - Photo of entire tractor engine.
  - Close-up photo of engine ID tags, including model, serial number, engine family, and any other information you can gather. (not to be confused with ID tags for rollover bar or cab).
  - Video of operator starting and moving the tractor (forwards and backwards)
- Inspection date: \_\_\_\_\_

**\*NOTE: If the old tractor doesn't match the application, the District must re-evaluate the eligibility and make sure FARMER info is all correct, and have the applicant submit an email statement saying they want to revise their application with the updated tractor information.**

**\*NOTE: Sometimes there is a tractor ID or engine tag missing and identification points are hard to find. In these cases take as many pictures of identifying points as available, and verify that the tractor is operational. In this manner, there can be a reliable comparison when the tractor is destroyed.**

- After inspection, the District writes and signs the inspection report and includes it in the project file. The District uses a template in its FARMER\Templates directory.
- The District drafts an agreement, using the template in its FARMER Templates directory. (The District can begin this before the inspection takes place, if desired; it just can't be finalized until after the inspection is complete and the old equipment is verified.)
- Ask the applicant if they will pay cash or if they are financing the equipment.** After the application and all required documentation have been approved by the air district, the dealer must provide the air district with proof of sale (signed invoice) and if applicable, proof of financing of the replacement equipment. The financing package will enable the air district to determine the reimbursement costs that may be accrued in case the participant defaults on the contracted

performance requirements. Proof of project financing can be a document showing the lender and the amount loaned, which at a minimum is a copy of the check given to the dealer equal to the portion of the project that was not FARMER Program funded. **Proof of project financing is always required unless the grantee paid cash for the portion of the project that was not FARMER Program funded.**

OPTIONAL—if there are changes out of the ordinary in the agreement, the District staff will email a copy of the agreement to District counsel for review and signature.

- Emailed to District counsel: [Click or tap here to enter text.](#)
- Received from District counsel: [Click or tap here to enter text.](#)

**Add Attachment “B” to the funding agreement, which is comprised of the initial application, and be sure the initial application contains the hours of annual use.**

When the funding agreement is ready to be signed, the District prepares it for signature using Adobe Sign. The applicant should sign first, then the District APCO should sign and date in all the blanks where there are dates. (“Agreement effective date” is APCO’s signature date; there’s a blank for it on page 1 and towards the end of the document). Digital signatures are acceptable and encouraged.

Date the funding agreement is fully signed: [Click or tap to enter a date.](#)

Once the funding agreement is signed, the District will follow up with the applicant (email) to let them know they are free to proceed with the purchase. Date: [Click or tap to enter a date.](#)

Once the funding agreement is signed, the District informs the tractor dealership (email) that purchase of the new tractor is allowed.

Anticipated tractor purchase date: [Click or tap to enter a date.](#)

**\*NOTE: The new equipment purchase date is often the date, or close to the date, the dealership physically delivers the new tractor to the applicant as most equipment is ordered from the manufacturer and not in dealership stock. At the point of delivery, the dealership can provide the final signed invoice.**

The District will wait for the dealership to notify the District that the new tractor is available for inspection (remind the dealership to notify the District).

**New Equipment (“Post”) Inspection.** The new equipment shall be inspected at the dealership before it is delivered. In this inspection the District must confirm that the new tractor matches the



application and funding agreement. The District, or the dealership upon District request and direction, performs this inspection. This inspection requires the following photos & video to generate the inspection report:

- Right Side - hood down.
- Front - hood down.
- Left Side - hood down.
- Rear.
- Equipment serial number.
- Engine - left side.
- Engine - right side.
- Engine Serial Number and Engine Information – tag.
- DOORS EIN, if applicable (This is only for construction equipment; NA for ag tractors).
- Diesel Emission Control Device (if available. This is unusual, probably for construction equipment) .
- Photo of hour meter.
- Close-up photo of product identification plate (sometimes this number is stamped into the frame).
- Video of operator starting and moving the tractor (forwards and backwards).

Inspection date: \_\_\_\_\_ Click or tap to enter a date.

If the new tractor does not match the application, the District must re-evaluate the eligibility and make sure CARL info is all correct.

If the new tractor does not match the application but is still eligible, the District must write an amendment to the signed agreement and get signatures on it before proceeding.

**\*NOTE: small variations in engine number are acceptable as long as the engine family number and applicable executive order, engine tier, and horsepower remain the same.**

- After inspection, the District writes and signs the inspection report and includes it in the project file. The District uses the template in its FARMER templates directory.
- The District verifies that the tractor the District inspected matches what was in the application and what is identified in the funding Agreement.
- Prior to releasing the replacement equipment to the participant, the dealer must have documentation of an air district pre-inspection of the existing equipment and the post-inspection of the replacement equipment. Provide the dealership PDF copies of these reports via email.

Once the District inspection is complete and the new tractor is verified to be eligible, the District notifies the applicant and dealership (email) that they are authorized to proceed with destroying the old equipment.

- At this point, the dealership will typically deliver the new tractor by trailer (it is non-road equipment) to the applicant's property and then remove the old tractor by the same trailer and take it to demolition.

**Dismantle Inspection.** The District inspects the destroyed old equipment and documents it in a report. The District must confirm that the old tractor matches the original inspection, and is fully destroyed.

- **For Off-Road Equipment:** typically use 101 Salvage. Contact salvage operator Ron Nagy; 707-321-9988; email: [nagysfarm@gmail.com](mailto:nagysfarm@gmail.com) .
- **For On-Road Vehicles,** typically use Opperman & Son. Contact Brian Opperman; email: [briano@oppermansales.com](mailto:briano@oppermansales.com) .

**\*NOTE: Off road equipment requires (3) inspections: pre, post, and dismantle; whereas on road equipment requires (4) inspections: pre, post, pre dismantle, and dismantle.**

The destroyed equipment inspection must include clear photographs of the destroyed engine block and cut frame rails. In addition, the following views must be taken:

- Photo of entire tractor, left side.
- Photo of entire tractor, right side.
- Photo of hour meter.
- Close-up photo of product identification plate (sometimes this number is stamped into the frame).
- Photo of entire tractor engine (side view).
- Close-up photo of engine ID tags (or stamp on engine block), including model, serial number, engine family, and any other information you can gather.
- Close-up photo(s) of hole(s) in engine block, with a pen or other item next to it for scale.
- Hole in engine block must be irregular, and 3 inches or more at its narrowest point. Ask salvage person to widen the hole, if necessary.
- Close-up photo of severed tractor frame rails, fluid/exhaust lines, cut structural components, destroyed attachments, and other evidence of destruction.
- If the District is present during demolition it will take a video of salvage operator destroying the tractor.

Inspection date: \_\_\_\_\_ Click or tap to enter a date. \_\_\_\_\_

**\*NOTE: If the destroyed tractor does not match the original old tractor, the District must address this with the applicant and cannot proceed with the project until the District observes the matching tractor.**

After inspection, the District will write and sign the dismantled equipment inspection report and include it in the project file. The inspection report template is in the District's FARMER templates directory.

The District will make sure the destroyed tractor matches the tractor inspected in the initial inspection. The District will double check the photos from the initial inspection against the ones taken at the destroyed equipment inspection. Photos of ID tags and stamps will be compared from initial inspection and the destruction inspection and as referenced in the funding Agreement.

If identification points do not match, the District will contact the demolition operator to verify that the inspected tractor was the project tractor.

Once the District has verified that the destroyed tractor is the project tractor and is sufficiently destroyed, the District will prepare a "Verification of Equipment Disposal" form for Ron, located in the Moyer templates directory. The District will fill out all the project and tractor info on the disposal form and email Ron the form for remaining information and signatures. In the email, the District will state that it also authorizes sending the tractor to salvage/scrap.

- The Verification of Equipment Disposal form requires a final photo of the tractor scrap at the scrap yard and a receipt from the scrap yard.

**Project Payment.** Once the old equipment is destroyed and the new equipment is in place, the District will prompt the applicant to submit an email pursuant to the contract that indicates that they are requesting payment under the contract terms. CC the dealership.

- The District will ask the applicant to verify if the payment will be a single party or two party check; name for the check; and the address to mail the check to.

Once the old equipment is destroyed, the District will request a copy of the new equipment invoice (signed) and the warranty information from the dealership.

The District will gather the required documentation to make the payment request from county treasury. The District will name the files as follows and save them electronically in the "Invoice and Reimbursement Request" (or "Request for Payment") project folder.

- 1-CMXXXX Applicant's request for payment
- 2-CMXXXX Fully signed funding agreement
- 3-CMXXXX Signed invoice

4-CMXXXX W9 Form (should be located in the “Application & Supplemental materials” folder. Sometimes it’s hiding in a pdf with all the other application information.)

5-Resolution – Authorization of FARMER Program Resolution# 19-02.

For projects in which the payment has been financed, a two-party check is issued to the dealership and the grantee. In this case, both parties are listed and sign the funding agreement. **Verify the finance and check payment status with the dealership and the applicant.**

In the email payment request to county treasury, the District includes the Fund, Account, and TCA numbers to generate payment. Sometimes the funding will come from multiple sources (i.e. part from Moyer, part from DMV Moyer, interest earned, etc.). The District will discuss these details with county treasury.

- Note, if more than one funding source or tracking code is used, the county treasury will write more than one check for the project total (county treasury policy).

The District will email the payment request with the 5 attachments listed above to county treasury. Payment requested date: [Click or tap to enter a date.](#)

The District will drag and drop a copy of the email payment request just sent with its support attachments to the project’s “Reimbursements” file folder. This helps track payment requests and encapsulates key project funding documents.

The District will set a calendar reminder a couple weeks out to verify with its county accountant or through the county accounting system (EFS) the date that the check was issued. **Ask the accountant to also verify the check amount paid.** Once the payment is made to the applicant, the District will log the final information in the FARMER database to document closure.

**\*NOTE: On the FARMER payment page, make sure to input the dismantled inspection date and also make sure to click YES under “paid in full” – both these actions mark the project as “Liquidated” in the CARL system. Very important!**

## Project Maintenance.

The District logs the completed grant information in the District’s project tracking spreadsheet.

The District will set a calendar reminder for a couple months out to request a copy of the cancelled check from county treasury or through EFS. Cancelled check requested: [Click or tap to enter a date.](#)

The District will make sure ALL DOCUMENTS, including the copy of the cancelled check, pertinent emails, inspection reports, payment requests, etc. are included in the electronic file on the District LAN. File complete: \_\_\_\_\_

The District will monitor the applicant’s reports throughout the contract term to verify compliance with the contract. (Reporting forms are typically sent out during the first month of each calendar year for the previous reporting year).