

# **ALTERNATIVES TO AGRICULTURAL OPEN BURNING INCENTIVE PROGRAM – FLEET EXPANSION FOR CHIPPING ORCHARD AND/OR VINEYARD REMOVALS**

## **PROGRAM GUIDELINES**

The San Joaquin Valley Air Pollution Control District (District) is accepting applications for the Alternatives to Agricultural Open Burning Incentive Program – Fleet Expansion. This program provides incentives for the purchase of new agricultural wood-chipping equipment to chip orchard and vineyard removals located within District boundaries (see page 5 for District boundaries map) as an alternative to the open burning of the agricultural materials.

**Applicant must not purchase, make any non-refundable payments toward, and/or take possession of any new equipment until they have received an executed District funding agreement.**

Applications are processed on a first-come, first-served basis while funds are available.

Wood-chipping equipment intended for non-agricultural purposes are not eligible for funding.

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

You may also contact us by phone, email, or visit our website:

**(559) 230-5800**  
[grants@valleyair.org](mailto:grants@valleyair.org)  
[www.valleyair.org](http://www.valleyair.org)

**ELIGIBLE PARTICIPANTS**

1. Chipping and shredding contractors with demonstrated experience in providing services for the chipping of agricultural material
2. Large farming companies that will provide chipping services to other agricultural operations (with commitment to offer chipping services to other agricultural operations)

**ELIGIBLE MAXIMUM INCENTIVE AMOUNTS:**

1. Submission of a program application **does not** guarantee funding.
2. Funding cap: \$2,000,000.00 per applicant

Eligible Equipment	Maximum Incentive
New wood chippers, grinders and other equipment specifically designed for the purpose of processing woody ag waste	65% of the Eligible Cost of the New Equipment*
Support equipment (loaders, excavators, tractors, etc.)	Not eligible for funding

*\*The final funding amount may be reduced if the final invoiced amount for the new equipment is less than the maximum incentive amount.*

**PROGRAM REQUIREMENTS, ELIGIBILITY AND RESTRICTIONS****A. General Requirements**

1. Only contractors or large farming operations that have demonstrated experience handling woody agricultural materials are eligible to apply
2. Approved funding agreements are valid for twelve (12) months from date funding agreement is executed.
  - a. Extensions may be approved on a case-by-case basis upon written request from the Applicant

**B. Equipment Eligibility**

The new equipment must:

1. Be used only for verified fleet expansion for chipping agricultural woody waste in the San Joaquin Valley (not for replacing existing equipment)
2. Be a new chipper, grinder, or other equipment specifically designed for the purpose of processing woody ag waste (support equipment is not eligible)
3. Be used 100% for processing orchard and/or vineyard removal woody waste at agricultural operations located within District boundaries (see page 6) for minimum of 5 years from date new equipment is placed into service (contract term verified through annual reporting)
4. Have an engine that meets the most recent model year California emission standard (Tier 4 Final)
5. Not have been previously owned and be indicated as new by the dealer at the time of purchase. Used equipment is not eligible for funding.

- a. Equipment that served as rentals, were previously leased, or were floor/demonstration models may be eligible on a case-by-case basis determined by District staff prior to funding. Documentation from the dealer may be required.
  - b. Equipment must have less than 250 hours of usage at the time of sale.
6. Be domiciled within the boundaries of the District (see page 5).
7. Have only the minimum attachments normally sold with the original equipment as determined by District staff. Only eligible items will be considered for funding.
  - a. Implements or attachments on the new equipment may be eligible for funding if the equipment requires such implements or attachments to perform its intended operations. Such instances will be reviewed and approved on a case-by-case basis by the District.
8. Have an operating hour meter to record annual usage in hours.

### **C. Applicant Requirements:**

The new equipment must:

1. Not make any non-refundable deposits, purchase, or place the new equipment into service before receiving an executed District funding agreement. Doing so will render the project ineligible for funding.
2. Remain the owner of the new equipment through the full term of the funding agreement.
3. If the new equipment is sold during the agreement term, then the new owner of the equipment must assume the agreement obligations with the District and comply with the terms and conditions outlined in the original agreement. The District must approve the equipment ownership change prior to its sale.
4. Maintain the equipment in accordance with manufacturer specifications.
5. Maintain value insurance for the equipment through the full term of the agreement.
6. Domicile and operate 100% of the new equipment's annual hours within District boundaries (see page 5) through the full term of the agreement.
7. Operate 100% of the new equipment's annual hours supporting processing of orchard and/or vineyard removals at agricultural operations through the full term of the agreement.
8. If not standard, purchase a minimum of a one-year or 1,600 hours equipment warranty.
9. Warranty must cover parts and labor.
10. Documentation must be provided to District upon submitting a claim for reimbursement
11. Warranty costs are not eligible for funding.
12. Install and maintain an operational hour meter on the new equipment.
13. The cost of an hour meter is eligible for incentive funding and should be included in the quoted price if the equipment does not come standard with an hour meter.
14. If during the project life, the hour meter fails for any reason, the hour meter must be repaired or replaced as soon as possible at the owner's cost.
15. Submit annual reports to the District through the full term of the agreement.
  - a. Reporting includes, but is not limited to: annual usage in hours, hour meter reading, total acres chipped, crop type of acres chipped, and county of where chipping activities occurred.
16. Register the new equipment with the state of California's Portable Equipment Registration Program (PERP).

17. Applicant agrees to have the “Funded in part by the Valley Air District” sticker attached to the new equipment (sticker will be provided and attached by a District inspector during the post-inspection prior to incentive reimbursement). Funding will not be dispersed if the aforementioned sticker is not attached and visible for the post-inspection pictures. See below for a picture of the 4”x5” sticker:



## APPLICATION PROCESS

1. Applicant submits complete application packet to the District (via email, mail, or fax). A complete application includes:
  - a. Completed and signed Application
  - b. IRS Form W-9
  - c. Itemized dealer quote for the new equipment (previously owned, leased, or rented equipment is not eligible). The quote must, at a minimum, include the following:
    - i. The applicant/organization name and address.
    - ii. The new equipment dealer name and address.
    - iii. The new equipment make, model and model year.
    - iv. The ARB certified engine make, model, advertised horsepower (not PTO horsepower) and US EPA Engine Family Name
    - v. A complete and detailed breakdown of all material costs: equipment, new engine, core charge, hardware, warranty costs, freight or shipping costs, setup fees, document preparation fees, tire disposal fees, and the sales tax with the percentage rate indicated. Please list all additional and optional equipment or attachments separately in a line item format.
2. District staff notifies Applicant if incomplete or ineligible.
3. District will issue funding agreement to Applicant via DocuSign (hardcopy via email or mail by request).
4. Applicant has twelve (12) months from the date the on the funding agreement to purchase the new equipment.
  - a. If the equipment changes or additional time is needed, please contact District staff

## REIMBURSEMENT PROCESS

After receipt of an executed funding agreement:

1. Applicant purchases the new equipment as described on the application and on the funding agreement.
  - a. If the applicant needs to purchase any new equipment other than what is allowed on the agreement, applicant must ensure it meets the requirements, and obtain District approval of the changes
2. Applicant submits a claim for payment packet including the following (**Note: the name on all documentation must match the name on the District funding agreement**):
  - a. Completed Claim for Payment Form
  - b. Itemized invoice for the cost of the new equipment
  - c. Proof of payment
    - i. Copies of checks, receipts or finance documents
  - d. Proof of warranty
  - e. Insurance Documentation
    - i. A certificate of insurance which identifies a current policy period and covers the new equipment.
3. District staff will contact you after receiving your completed Claim for Payment packet to schedule your post-inspection of the new equipment
  - a. The post-inspection must be completed and deemed by District staff to meet program requirements before incentive funds can be released.
  - b. District staff will complete a monitoring report and take photographs during the visit to verify the new equipment has been placed into service and is eligible for reimbursement.
4. Complete the post-inspection site visit with District staff
5. Upon completion of the post-inspection, the District will review and verify all information and issue payment, generally within sixty (60) working days

**MAP OF THE  
SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT  
BOUNDARIES**

