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## A SUMMARY OF NEW LEGISLATION FOR PUBLIC AGENCIES FOR 2020

A number of new laws may impact your agency in 2020. We have prepared this memorandum to summarize laws enacted in the last year, and to recommend actions\* for complying with any new requirements. Except as noted below, the laws discussed in this memorandum will take effect on January 1, 2020.

### WATER

#### **AB 658 – Water rights: water management.**

This bill authorizes the State Water Resources Control Board (State Water Board) to issue five-year temporary permits and change orders to groundwater sustainability agencies or local agencies that authorize the diversion of surface water to underground storage during high-flow events for a beneficial use that advances the sustainability goal of a groundwater basin. This bill also expands beneficial uses of water to include diversions of water to underground storage in certain circumstances, including for groundwater recharge and protection of water quality. In contrast to the 180-day permits currently available, these permits are meant to serve as a more substantial bridge for local agencies to eventually acquire permanent rights. Upon a showing of due diligence, the State Water Board may renew the temporary permits and change orders for additional five-year terms.

Numerous additional requirements and procedures apply to acquiring these new permits and change orders; please consult your primary BKS attorney if you have questions regarding your underground water recharge activities.

#### **AB 1432 – Water shortage emergencies: declarations: wildfires.**

Water Code sections 350 through 359 establish procedures under which the governing body of a public water supplier must declare a water shortage emergency condition, if the supplier makes certain findings, and adopt regulations and restrictions on the delivery and consumption of water to conserve the public water supply. Unless certain emergency conditions exist, such as the breakage or failure of a dam, pump, pipeline, or conduit causing an immediate emergency, this declaration must be made after a public hearing. This bill adds wildfire to the list of exceptions during which a public water supplier may make a water shortage emergency declaration without a hearing.

#### **AB 756 – Public water systems: perfluoroalkyl substances and polyfluoroalkyl substances.**

Existing law, the California Safe Drinking Water Act, requires the State Water Board to administer provisions regulating drinking water to protect public health. This bill authorizes the State Water Board to order public water systems to monitor for perfluoroalkyl and polyfluoroalkyl substances (collectively, PFAS). If this monitoring

\*See disclaimer at the end of document.

results in a confirmed detection, the water system must report that detection in its annual consumer confidence report until the water source is not in use or until the levels fall below certain thresholds. The bill also requires a public water system to publish and keep current on its website water quality information relating to regulated contaminants and to notify each customer on the customer's next water bill and through email within 30 days of a confirmed detection of a contaminant above specified levels.

**AB 1414 – Urban retail water suppliers: reporting.**

Existing law requires each urban retail water supplier to develop water use targets in accordance with specified requirements. Existing law requires each urban retail water supplier, on or before October 1 of each year, to submit a complete and validated water loss audit report for the previous calendar year or previous fiscal year as prescribed by rules adopted by the Department of Water Resources (DWR). This bill streamlines urban retail water suppliers' reporting obligations by permitting combined reporting documents and consolidating various reporting deadlines for consistency.

Each urban retail water supplier, on or before January 1 of each year until January 1, 2024 (if reporting on a fiscal year basis), or on or before October 1 of each year until October 1, 2023 (if reporting on calendar year basis), must submit a completed and validated water loss audit report as prescribed by DWR. This bill provides that on January 1, 2024, and on or before January 1 of each year thereafter, each urban retail water supplier must submit a complete and validated audit report for the previous calendar year or previous fiscal year as part of an existing report relating to its urban water use.

**SB 19 – Water resources: stream gages.**

This bill requires DWR and the State Water Board to develop a plan to create a network of stream gages, including a determination of funding needs and opportunities for modernizing and reactivating existing gages, and deploying new gages where gaps currently exist. The bill requires the DWR and the State Board to develop the plan in consultation with the California Department of Fish and Wildlife (CDFW), the Department of Conservation, the Central Valley Flood Protection Board, interested local agencies, and other stakeholders. The purpose of this bill is to address significant gaps in information necessary for water management and the conservation of freshwater species. More information about which gages will be prioritized for modernization and deployment will likely become more apparent in the next two years when the plan is due.

**SB 134 – Water conservation: water loss performance standards: enforcement.**

In 2018, the governor signed SB 606, which established permanent, long-term water use efficiency standards and water loss reporting requirements. That law authorized the State Water Board to issue information orders, written notices, and conservation orders to an urban retail water supplier that does not meet its urban water use objective, and to impose civil liability for a violation of a related order or regulation. This bill prohibits the State Water Board from issuing an information order, written notice, or conservation order to an urban water retail supplier for failing to meet an urban water use objective if: (1) the supplier is not meeting the objective solely because of water loss; and (2) the State Water Board is already taking a separate enforcement action against the supplier for the failure to meet the water loss standards.

### **SB 200 – Safe and Affordable Drinking Water Fund.**

This urgency statute, which took effect immediately on signing in July, creates the Safe and Affordable Drinking Water Fund to provide the legal structure and process necessary for public water systems to secure access to safe drinking water while also ensuring the long-term sustainability of drinking water service and infrastructure. Among other things, it also requires the State Water Board to make publicly available a map of aquifers that are used or likely to be used as a source of drinking water at high risk of containing contaminants.

After the initial allocation of \$130 million from the State budget, beginning in the 2020-21 fiscal year, SB 200 will transfer 5% of the annual proceeds of the Greenhouse Gas Reduction Fund, up to the sum of \$130,000,000, into the Safe and Affordable Drinking Water Fund. Beginning in the 2023-24 fiscal year, the bill will add the General Fund as a backstop to ensure annual allocations of \$130 million to the fund.

The bill opens up the funding to a considerable number of entities, including public agencies, nonprofit organizations, public utilities, groundwater sustainability agencies, and mutual water companies, among others. These entities may use the funds for (1) operation and maintenance costs to deliver safe drinking water; (2) consolidating water systems; (3) replacement water; (4) the provision of drinking water to disadvantaged communities for self-sufficiency; (5) the development and implementation of long-term drinking water solutions; and (6) administrative expenses associated with using fund moneys.

### **SB 779 – Appropriation of water: change of point of diversion, place of use, or purpose of use.**

Under existing law, an applicant, permittee, or licensee may change the point of diversion, place of use, or purpose of use from that specified in the application, permit, or license, after petitioning for and receiving permission of the State Water Board. This bill authorizes the State Water Board to make minor changes to these rights without requiring the filing of a change petition if the State Water Board makes specified findings, including that the change does not have the potential to adversely affect the water supply of other legal users of water or instream beneficial uses, after allowing 15 days for public comment. Under this bill, the State Water Board also has the power to initiate a minor change to an application, permit, or license, with only the consent of the water-right applicant.

### **AB 508 – Drinking water: consolidation and extension of service: domestic wells.**

This bill provides that any domestic well owner that fails to provide written consent to a consolidation or extension of service is ineligible, until consent is provided, for water-related grant funding for anything other than well failure, disaster, or other emergency. This bill authorizes the State Water Board to order consolidation or extension of service if a disadvantaged community, in whole or in part, is substantially reliant on domestic wells that consistently fail to provide an adequate supply of safe drinking water. In the event the State Water Board orders consolidation or extension of service, the bill clarifies that compensation to the receiving water system for lost capacity must not exceed the reasonable cost of providing service.

**SB 513 – State Water Resources Control Board: grants: interim relief: private water wells.**

SB 513 authorizes the State Water Board to provide grants to eligible applicants to provide interim relief, such as the provision of domestic water storage tanks, hauled water, and bottled water, to households in which a private water well has gone dry or has been destroyed due to drought, wildfire, or other natural disasters. Up to 10% of the funds appropriated for these purposes may be for planning related to permanent solutions for private water wells that have gone dry, or have been destroyed, due to drought, wildfire, or other natural disaster.

**GENERAL LOCAL GOVERNMENT**

**AB 945 – Local government: financial affairs: surplus funds.**

Existing law prescribes the instruments and criteria by which a local agency may invest and deposit its funds, including its surplus funds. This bill authorizes a local agency to invest and deposit the agency’s surplus funds in deposits at commercial banks, savings banks, savings and loan associations, or credit unions that use a private sector entity that assists in the placement of deposits, whether those investments are certificates of deposit or another form, and would increase the percentage of the local agency’s funds that can be invested in this manner to 50% of the agency’s investment portfolio. The 50% portfolio limit would expire on January 1, 2026, at which time a 30% portfolio limit would apply.

**SB 646 – Local agency utility services: extension of utility services.**

The Mitigation Fee Act limits a local agency’s fees for water or sewer connections or capacity charges to the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount of the fee or charge imposed in excess of the reasonable cost of providing the service or materials is submitted to and approved by 2/3 of the electors voting on the issue. This bill clarifies the definition of “fee” to reflect the principles outlined in Propositions 218 and 26, explicitly providing that any utility connection fee charged for the “physical facilities necessary to make a” utility connection must “bear[] a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the water connection or sewer connection.”

**AB 1486 – Surplus land.**

Existing law governs how an agency disposes of its surplus land under the Surplus Land Act. Under this bill, which is aimed at addressing the housing crisis, special districts and other public agencies must satisfy several additional requirements when deciding to sell, lease, or otherwise convey any of the agency’s land. These include:

- The agency governing board must take formal action in a regular public meeting to declare that the land is surplus and not necessary for the agency’s use, and support the declaration by written findings. For special districts, the bill also permits the disposal of land for a wide range of agency uses, without the need to follow additional surplus property procedures, if the district board first declares that the “agency’s use” of the land either directly furthers the express purpose of agency work or operations or is expressly authorized by a statute governing the district.

- The disposing agency must send a notice of availability by email and certified mail to low- and moderate-income housing entities, school districts, and other interested entities. If an entity desires to purchase the land, the disposing agency and the interested party must enter into good faith negotiations, and if they cannot come to an agreement within 90 days, the agency may dispose of the land free of any further requirements under the Surplus Land Act, apart from the requirement below.
- Prior to disposing of surplus land, the agency must provide a report to the California Department of Housing and Community Development (HCD), with information related to the agency's surplus land disposal process for the property.

Based on the report the agency sends to HCD, HCD may issue penalties if it determines the agency did not comply with the Surplus Land Act, after the agency has 60 days to cure its violation. An agency that violates the act may be liable for a penalty of 30% of the property's sale price for a first violation, and a penalty of 50% of the sale price for subsequent violations. Although this bill takes effect on January 1, 2020, the penalty provisions do not go into effect until January 1, 2021. The bill contains numerous other requirements throughout the Surplus Land Act disposal process, and requires that HCD prepare resources regarding the act's obligations and guidance for agency compliance. If you have questions about your agency's process in general, or about a specific disposal of surplus land, please contact your principal BKS attorney.

**AB 1819 – Inspection of public records: use of requester's reproduction equipment.**

The California Public Records Act (CPRA) requires a public agency to make records promptly available upon request for a copy of records and payment of fees covering direct costs of duplication. Under this bill, a requester of documents under the PRA who inspects a record on the premises of an agency may use the requester's equipment without being charged any fees or costs to "photograph or otherwise copy or reproduce the record in a manner that does not require the equipment to make physical contact with the record." This rule applies unless the means of copy or reproduction would result in damage to the record, or unauthorized access to the agency's computer system.

A public agency may impose "reasonable limits" on the use of the requester's equipment that are necessary to protect the safety of the records or prevent the copying of records from being an unreasonable burden to the orderly function of the agency or its employees. An agency also may impose any limit that is necessary to maintain the integrity of, or ensure the long-term preservation of, historic or high-value records.

**AB 1637 – Streamlined Unclaimed Property Law.**

Current law directs the manner in which cities, counties, and districts may transfer unclaimed property under the Unclaimed Property Law. This bill authorizes the State Controller's Office to transfer unclaimed property in the name of a local agency or state agency directly to that agency without requiring the agency to file a claim first. The bill extends the immunity from suit under the Unclaimed Property Law to these local agency transfers.

## **LABOR AND EMPLOYMENT**

### **AB 9 – Employment discrimination: limitation of actions.**

Existing law requires a person to file an administrative complaint under the California Fair Employment Housing Act (FEHA) for certain unlawful employment and housing practices, including discrimination and harassment, within one year. This bill extends the period for filing these claims to three years. The bill is not retroactive, however, and does not revive any FEHA claims that have otherwise already lapsed under the one-year statute of limitations.

### **AB 51 (Gonzalez) – Employment discrimination: enforcement.**

This bill prohibits requiring any applicant for employment or any employee to waive any right, forum, or procedure for a violation of any provision of FEHA or other specific statutes governing employment as a condition of employment, continued employment, or the receipt of any employment-related benefit. This bill also prohibits an employer from threatening, retaliating or discriminating against, or terminating any applicant for employment or any employee because of the refusal to consent to the waiver of any right, forum, or procedure for a violation of specific statutes governing employment. However, this prohibition does not apply to settlement or severance agreements.

### **SB 778 – Employers: sexual harassment training: requirements; SB 530 – Construction industry: discrimination and harassment prevention.**

Current law requires an employer with five or more employees to provide at least two hours of sexual harassment training to supervisory employees and at least one hour of sexual harassment training to all employees within six months of their assumption of a position. This training must be provided before January 1, 2020, except for seasonal or temporary employees, who must receive training by January 1, 2021. This bill requires that employees must receive refresher training every two years; however, an employer who has provided this training and education to an employee after January 1, 2018, is not required to provide refresher training until after December 31, 2020. We recommend reviewing your agency's sexual harassment training policies to ensure they comply with the new requirements.

### **AB 5 - Worker status: employees and independent contractors.**

This bill restricts the classification of certain workers as “independent contractors,” codifying a presumption that any worker providing labor or services for payments be classified as an “employee” and to receive the benefits and protections the law provides employees. The hiring entity may rebut this presumption, and classify a worker as an independent contractor, but must prove the following factors (also known as the “ABC Test”):

- (A) The person is free from the direction and control of the hiring entity when performing the work;
- (B) The person performs work that is outside the usual course of the hiring entity's business; and
- (C) The person is customarily engaged in an independently established trade, occupation, or business in the same nature as the work performed.

The bill also exempts seven different categories of workers from classification as an employee under this test, covering a range of occupations including architects, lawyers, engineers, accountants, grant writers, and truck drivers, among others. However, even if a worker falls under one of the exemptions, employers still have the burden to prove certain factors under a slightly different, less strict set of factors, known as the *Borello* test, which primarily addresses whether the hiring entity has the “right to control” the manner and means in which the worker completes his or her work.

We recommend reviewing and revising contracts with your current independent contractors to ensure they will be able to retain that classification, and to expressly indicate that they are independent contractors not subject to your control. To implement these changes and to help clarify that consultants will remain as independent contractors, we will be updating the services agreement forms that we provide to our clients. If warranted, we also may update our legal services agreement with your agency to reflect the new changes to ensure there is no confusion about our status as independent contractors for our legal services. If you have any questions or concerns about whether someone performing work for your agency would be classified under AB 5 as an employee or an independent contractor, please contact your principal BKS attorney.

#### **SB 188 – Discrimination: hairstyles.**

FEHA protects employees in protected categories from discrimination in hiring, working conditions, promotion opportunities, etc. This bill expands the definition of the protected category of race to include traits historically associated with race, including, but not limited to, hairstyles.

#### **AB 749 – Settlement agreements: restraints in trade.**

AB 749 prohibits employment settlement agreements from including a clause that bars the employee from rehiring by the employer. However, the bill does not prohibit settlement agreements from terminating a current employment relationship, or prohibiting rehire if the employer has made a good faith determination that the employee has engaged in sexual harassment or sexual assault. Nor does it otherwise require an employer to rehire an employee if there is any other “legitimate non-discriminatory or non-retaliatory reason” for doing so. This prohibition goes into effect prospectively, and any settlement agreement with a “no rehire” clause entered into before January 1, 2020 is still valid and enforceable.

#### **SB 142 – Employees: Lactation Accommodation.**

Current law requires employers to make a reasonable effort to provide lactation rooms for nursing mothers to express milk in private. SB 142 requires employers to provide lactation rooms to nursing mothers each time they need to express milk that are not bathrooms, and that additionally: (1) are safe, clean, and free of hazardous materials; (2) contain a surface to place a breast pump and personal items; (3) contain a place to sit; (4) have access to electricity, extension cords, charging stations, or other device needed to operate an electric or battery-powered breast pump; and (5) are nearby the employee’s workspace, shielded from view, and free from intrusion while the employee is expressing milk. An employer also must provide access to running water and a refrigerator suitable for storing milk. The bill also now requires an employer to develop, implement, and include

in the employee handbook a policy regarding lactation accommodation that includes the employee's right to request, and process for requesting, lactation accommodation, the employer's duty to respond to the request, and the employee's right to file a complaint with the Labor Commissioner for any violation of rights relating to lactation accommodation.

## HOUSING

### AB 68, AB 881, and SB 13 – Accessory dwelling units.

In recent years, the legislature has passed a number of laws to encourage the development of accessory dwelling units (ADUs) as a means to alleviate the housing crisis, often restricting the ability of local agencies to collect connection charges and other development impact fees on ADUs. This trend continued in 2019. AB 68, AB 881, and SB 13 collectively make several changes and clarifications to land use provisions in the Government Code that may require amendments to your agency's fee structure, in addition to changes that apply to local land use agencies.

Under current law, a local agency, special district, or water corporation may not consider an ADU to be a new residential use for the purposes of calculating connection fees or capacity charges for utilities, including water and sewer service. In addition, a local agency, special district, or water corporation may not require an applicant for a building permit to install a new or separate utility connection directly between the ADU and the utility or impose a related connection fee or capacity charge if the ADU: (1) is contained within the existing space of a single-family residence or accessory structure, including, but not limited to, a studio, pool house, or other similar structure; (2) has independent exterior access from the existing residence, and (3) has side and rear setbacks that are sufficient for fire safety.

A local agency, special district, or water corporation may require a new or separate utility connection directly between the ADU and the utility if the ADU does not meet the above requirements. The connection may be subject to a connection fee or capacity charge that shall be proportionate to the burden of the proposed ADU, based upon either its size or the number of its plumbing fixtures, upon the water or sewer system. This fee or charge may not exceed the reasonable cost of providing this service.

AB 68, AB 881, and SB 13 make the following changes to these requirements:

- A local agency, special district, or water corporation may not impose any impact fee (including Quimby in-lieu fees) upon the development of an ADU less than 750 square feet. For an ADU of 750 square feet or more, the agency may charge a fee proportionately in relation to the square footage of the primary dwelling unit. However, these restrictions on "impact fees" do not apply to any connection fee or capacity charge imposed by a local agency, special district, or water corporation.
- A local agency, special district, or water corporation may consider an ADU to be a new residential use for purposes of calculating connection fees or capacity charges for utilities, including water and sewer service, if the ADU was constructed with a new single-family dwelling.

- A local agency, special district, or water corporation may not require an applicant for a building permit to install a new or separate utility connection directly between the ADU and the utility or impose a related connection fee or capacity charge if the ADU is within the proposed space of a single-family dwelling or existing space of a single-family dwelling or accessory structure (including an expansion of up to 150 square feet beyond the same physical dimensions as the existing accessory structure to accommodate ingress and egress). An ADU no longer needs to have independent exterior access or side and rear setbacks sufficient for fire safety in order to be exempt from any requirement to install a new or separate connection and pay a related connection fee or capacity charge.
- For an ADU subject to a connection fee or capacity charge, the agency, district, or water corporation must calculate the fee or charge based on the ADU's proportionate burden upon the water or sewer system based on either the ADU's square footage or the number of drainage fixture unit (DFU) values, as defined in the Uniform Plumbing Code adopted and published by the International Association of Plumbing and Mechanical Officials.
- A local land-use agency that does not provide water or sewer services must consult with the local water or sewer service provider regarding the adequacy of water and sewer services before designating an area where ADUs may be permitted.

As ADUs become more prevalent with this new legislation, your agency should ensure that any new construction in its jurisdiction including an ADU be charged the appropriate fees and capacity charges. In addition, if your agency includes ADUs in its fee schedule, we recommend reviewing your fee schedule to ensure compliance with the above changes.

**AB 587 – Accessory dwelling units: sale or separate conveyance.**

This bill authorizes a local land use agency to allow ADUs to be sold separately from the primary residence if certain conditions are met. However, it also requires that the ADU have a separate water, sewer, or electric connection if requested by the utility providing service.

**SB 330 – Housing Crisis Act of 2019.**

This bill locks in all applicable ordinances, policies, and standards of a local agency<sup>1</sup>—including development impact fees, capacity or connection fees or charges, permit or processing fees, and other exactions—for a housing development project applicant at the time of the application, unless specific exceptions apply. Exceptions include the following circumstances:

- the ordinance outlining any fee, charge, or exaction provides for an automatic annual adjustment for inflation based on an independently published cost index;

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<sup>1</sup> “Ordinances, policies, and standards” includes general plan, community plan, specific plan, zoning, design review standards and criteria, subdivision standards and criteria, and any other rules, regulations, requirements, and policies of a local agency (as defined in Govt. Code section 66000, which includes special districts).

- construction has not commenced on the housing development project more than two and a half years after the project is approved; or
- construction otherwise is modified to include 20 percent or more housing units or assessable square footage.

Agencies should evaluate their current policies and ordinances applicable to development impact fees and other exactions to ensure that they provide for automatic inflationary adjustments in order to receive adequate fees from housing development projects commensurate with inflation. Please contact your principal BKS attorney if you are unsure whether your agency’s applicable policies are consistent with these requirements.

**AB 1483 - Housing data: collection and reporting.**

Related to SB 330 (above), AB 1483 requires local agencies, including special districts, to maintain a current schedule of the agency’s applicable fees<sup>2</sup> and exactions<sup>3</sup> relating to housing development projects on its website. Agencies must update this posted information within 30 days of any changes. Additionally, the bill requires local agencies to post all zoning ordinances and development standards, the current and five previous annual fee or financial reports, and an archive of impact fee nexus studies and cost of service studies conducted by the agency on or after January 1, 2018.

In abundance of caution and for the sake of transparency, agencies should consider posting any applicable documents from before January 2018 if they are readily available. Legislation from this and previous legislative sessions has changed the requirements of a public agency’s website significantly—please contact your principal BKS attorney if you have questions about whether your agency’s website is compliant with the new law.

**ENERGY & ENVIRONMENT**

**SB 62 – Endangered species: accidental take associated with routine and ongoing agricultural activities: state safe harbor agreements.**

The California Endangered Species Act prohibits the “taking” of an endangered or threatened species, except in certain situations. Currently, the act provides an exception from this prohibition for the accidental take of protected species resulting from acts that occur on a farm or a ranch in the course of otherwise lawful routine and ongoing agricultural activities. This bill extends this exception’s sunset date from January 1, 2020, to January 1, 2024, but limits the exception to acts done by a person acting as a farmer or rancher, or a bona fide employee or contractor of a farmer or rancher, and requires that the party committing the accidental take report it to the CDFW within ten days. This bill also makes permanent the “Safe Harbor Agreement Program,” which provides landowners

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<sup>2</sup> “Specifically, the types of fees and exactions subject to these transparency requirements include development impact fees, water/sewer connection fees and capacity charges, Quimby land dedication requirements and in-lieu fees, public art in-lieu fees, cost of service fees, construction excise taxes, and Mello-Roos Community Facilities District special taxes.”

<sup>3</sup> Including any construction excise tax, a requirement that the housing development project provide public art or payment, a special tax levied on new housing units based on Mello-Roos, and dedications of parkland or in-lieu fees.

incidental take permits if they voluntarily agree to manage their lands to benefit endangered and threatened species, without being subject to additional regulatory restrictions as a result of their conservation efforts.

**AB 782 – California Environmental Quality Act: exemption: public agencies: land transfers.**

This bill provides public agencies an exemption from CEQA for certain specified acquisitions, sales, or other transfers of interest in land—or the granting or acceptance of funding—if they are done for the following purposes:

- The preservation or restoration of natural conditions existing at the time of transfer;
- Continuing agricultural use of the land;
- Prevention of encroachment of development into flood plains;
- Preservation of historical resources, or open space or lands for park purposes.

This exception applies even if physical changes to the environment are a reasonably foreseeable consequence of the change in interest of land, provided that the CEQA review that is otherwise required occurs before any project approval that would result in physical changes being made to that land.

**AB 487 – Department of Water Resources: dams and reservoirs: fees and penalty plus interest.**

Current law requires the Department of Water Resources (DWR) to impose penalties on a person or entity that misses the July 1 deadline to pay DWR’s dam safety fees, including administrative expenses related to monitoring the construction, enlargement, alteration, repair, maintenance, operation, and removal of dams and reservoirs. This bill creates a 30-day grace period from the July 1 payment deadline for the imposition of penalties for late payments, which would not be imposed until August 1.

**PUBLIC WORKS**

**AB 456 – Public contracts: claim resolution.**

The Public Contract Code currently provides, for contracts entered into after January 1, 2017, a claim resolution process for claims by a contractor in connection with a payment dispute on a public works project against a public entity. This bill extends the sunset date for this process to January 1, 2027.

**AB 1768 – Prevailing wage: public works.**

This bill expands the definition of “public works” for purposes of prevailing wage and other labor laws to include work conducted during design, site assessment, feasibility studies, or land use surveys. These activities will be considered public works for purposes of prevailing wage even if no further construction work is conducted. We will be updating our services agreements and public works construction contract forms as appropriate to reflect the requirements.

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## **DISCLAIMER**

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