

January 21, 2020

**TO: IRONHOUSE SANITARY DISTRICT  
CHAD DAVISSON, GENERAL MANAGER  
TYSON ZIMMERMAN, ASSISTANT GENERAL MANAGER  
CECILIA GOFF, DISTRICT SECRETARY/ OFFICE ADMINISTRATOR**

**FROM: CHARLEY HOWARD, HUMAN RESOURCES ADVISOR  
REGIONAL GOVERNMENTAL SERVICES**

**SUBJECT: HUMAN RESOURCES REPORT OF ACTIVITIES**

The last few months have been relatively quiet in the Human Resources world (a good thing); however, there are a few recent notable updates:

Insurance Broker of Record – ISD has engaged ABD Insurance & Financial Services, Inc. (ABD) as “Broker of Record” in order to maintain the very effective services of the Account Executive and the Employee Benefits Team formerly of USI Insurance Services. This maintains the relationship with insurance professionals proven effective for ISD, and at no additional cost.

Assembly Bill 5 – Effective January 1 of this year, AB 5 added Section 2750.3 to the California Labor Code substantially altering the defining characteristics of what constitutes an “employee” and what remains an “independent contractor”. The prior “IRS 20 Factor Test” has been replaced with the “ABC Test” in California:

*A person shall be considered an employee rather than an independent contractor unless the employer demonstrates that **all** of the following conditions are satisfied:*

- (A) The person is free from control and direction of the employer both under the contract for the performance of the work and in fact.*
- (B) The work performed is outside the usual course of the employer’s business.*
- (C) The person is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed.*

This change is under review to assess any impact to ISD and the work performed by current and future independent contractors.

If you have questions, please let me know.