Kaanaana v. Barrett Business Services, Inc. (2021) 11 Cal.5th 158
The prevailing wage protections for public works are expanded to cover not only workers engaged in construction-related activities, as was historically the case, but also belt sorters at a recycling facility.

FACTS/PROCEDURE

Los Angeles County Sanitation District No. 2 ("the District") maintains and operates a system for the transfer and disposal of all refuse at various warehouse-style sites. At these facilities, refuse is received, recyclables are removed, and the residual waste is transferred to landfills. Defendant Barrett Business Services, Inc. ("Barrett") contracted with the District to provide belt sorters and others to staff and operate the two facilities. When refuse is dropped off at a facilities, it is deposited onto a conveyor belt. The belt sorters will then sort through the refuse, remove any nonrecyclable materials, clear obstructions, sort recyclables, and place them into containers. These workers were under Defendant Barrett's supervision and were not considered District employees.

The belt sorters at two facilities brought a class action lawsuit against Defendant Barret and a former manager. Their complaint alleged the following causes of action: (1) failure to pay minimum and/or prevailing wages; (2) failure to pay overtime at prevailing wage rates; (3) failure to provide meal periods; (4) failure to timely pay all wages owed at the time of termination; and (5) unfair business practices. Defendant Barrett moved to strike Plaintiffs' prevailing wage allegations, arguing they were not entitled to those wages because the District does not fall under the statutory definition of a covered district and Plaintiffs' labor was not covered under Labor Code section 1720(a)(2). The trial court granted the motion to strike, and Plaintiffs appealed.

HOLDING/DISCUSSION

The Court of Appeal for the Second District reversed. In general, under the Public Wage Rate Act, prevailing wages must be paid to all those employed on public works, including those employed by contractors or subcontractors in the execution of any contract for public works. Public works includes "work done for irrigation, utility, reclamation, and improvement districts, and other districts of this time." (Lab. Code, § 1720(a)(2).) Defendant Barrett argued that "work" under subdivision (a)(2) only applies to work related to "construction, alteration, demolition, installation, or repair." (_Id._ at subd. (a)(1).) The courts have historically limited the term "public works" to construction-related activities and in subdivision (a)(1), still retains this limitation. Here, since Plaintiffs' sorting duties did not involve any of those activities, Defendant Barrett argued they were not employed on public works and thus not entitled to its prevailing wage protections. The Court denied Defendant Barrett's argument, however, finding that the limitation of the term "work" under one subdivision does not automatically apply to a different subdivision within the same statute. Therefore, under the plain language of subdivision (a)(2), work is not limited solely to construction work,[1] and Plaintiffs are entitled to the prevailing wage protections.

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[1] The Court also based its decision on the fact that previous versions of subdivision (a)(2) included the limiting word, "construction," but the Legislature chose to omit that language in subsequent amendments. The Legislature History also stated subdivision (a)(2) was meant to be an amalgamation of four different statutes, and these statutes did not limit the term "work" to purely construction work.