
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 830 (Rogers) - State highways: encroachment permits: relocating or removing encroachments: public utility districts: County of Mendocino

Version: May 23, 2025

Urgency: No

Hearing Date: August 18, 2025

Policy Vote: TRANS. 15 - 0

Mandate: No

Consultant: Mark McKenzie

Bill Summary: AB 830 would exempt a public utility district (PUD) in Mendocino County with 5,000 or fewer ratepayers from the requirement that an encroachment permittee must pay for the relocation or removal of the encroachment if a highway improvement requires that the encroachment be relocated or removed. The bill would instead require the Department of Transportation (Caltrans) to bear the cost of relocating or removing the encroachment in those circumstances.

Fiscal Impact:

- Caltrans indicates that costs for removing or relocating a single encroachment can be in the range of \$2-3 million, depending on the scope and scale of the necessary relocation or removal. While there is one known qualifying PUD with an encroachment in Caltrans right-of-way that requires relocation in the near term, it is unclear at this time how many qualifying PUDs in Mendocino County have encroachments that may require relocation or removal as a result of future highway improvements. See Staff Comments. (State Highway Account)

Background: In the context of the state highway system, existing law defines an “encroachment” as any tower, pole, pole line, pipe, pipeline, fence, billboard, stand or building, or any structure, object of any kind or character, or special event, which is in, under, or over any portion of the state highway rights-of-way. Caltrans requires a party to apply for an encroachment permit whenever any planned activity would place an encroachment within, over, or under the state highway right-of-way. Examples of work that requires an encroachment permit include utilities, excavations, encroachment renewals, advertisements, vegetation planting or trimming, surveys, mailboxes, driveways, installation or removal of tire chains for compensation, special events, and commercial filming activities.

Existing law requires any encroachment permit issued by Caltrans to contain a provision that requires the permittee to relocate or remove the encroachment at the permittee’s sole expense if there is a future highway improvement that requires that relocation or removal. In those instances, Caltrans serves the permittee with a written demand specifying the place of relocation or requirement for removal, as well as a reasonable time within which the relocation work is to begin, and the permittee must commence the relocation or removal within the timeframe specified and to diligently complete the work. Existing law authorizes Caltrans to waive the permit requirement that the permittee bear the sole expense of relocating or removing an encroachment, if the encroachment is a track or roadway that serves as an exclusive public mass transit guideway owned, operated, and maintained by a publicly-owned mass transit authority.

Proposed Law: AB 830 would exempt a PUD in Mendocino County with a ratepayer base of 5,000 or fewer from the requirement that encroachment permits contain a provision that requires the permittee to relocate or remove an encroachment at the permittee's sole expense in the event that a future improvement of a highway necessitates the relocation or removal of the permittee's encroachment. In such a case, the bill would require Caltrans to bear the sole expense of relocating the public utility's encroachment. The bill would also require Caltrans to notify a qualifying PUD at each stage of a project that necessitates the relocation or removal of an encroachment.

Related Legislation: AB 391 (Kehoe), Chap. 152/2001, authorized Caltrans to waive the permit requirement that the permittee bear the sole expense of relocating or removing an encroachment, if the encroachment is a track or roadway that serves as an exclusive public mass transit guideway owned, operated, and maintained by a publicly-owned mass transit authority.

Staff Comments: Caltrans completed a feasibility study in September 2015 with the objectives to optimize the City of Hopland's "main street" corridor on U.S. Highway 101 (US 101) and provide complete streets that consider all road users, including pedestrians, cyclists, trucks, transit vehicles, and motorists. Caltrans proposes to construct improvements on US 101 in downtown Hopland for compliance with the Americans with Disabilities Act (ADA). Work includes improving curb ramps, sidewalks, and driveways, reconstructing the roadway, rehabilitating pavement, traffic signals and other traffic management systems, and signage. According to Caltrans, the project is estimated to cost roughly \$11 million and construction is scheduled to begin in the spring of 2026 with a completion schedule of December 2027.

The Hopland Public Utility District (HPUD), which provides water and sewer service to approximately 340 ratepayers, has water and sewer infrastructure within the Caltrans right-of-way in the Hopland project area on US 101. Current law requires HPUD to pay for the full cost of relocating its encroachment facilities for the Hopland 101 Project. The expected cost for HPUD to move its existing water and sewer infrastructure is approximately \$3 million, and HPUD indicates that it does not have sufficient resources to pay for the utility relocations. In reaction to these difficulties, Caltrans has proposed that the Hopland 101 project be completed in two phases with Phase II of the project being contingent upon HPUD acquiring the necessary funding to relocate utilities in the project area. Phase I construction would commence early next year. According to Caltrans, Phase II would be delayed until 2033, which could increase overall project costs by up to \$4 million.

This bill would shift the full cost burden of relocating HPUD's water and sewer facilities from HPUD to Caltrans. As such, the near term costs of this bill would be in the range of \$2-3 million. As of this analysis, it is unclear how many other PUDs in Mendocino County with 5,000 or fewer ratepayers currently have encroachments in the Caltrans rights-of-way that may qualify for an exemption from paying the full costs of relocating or removing an encroachment as a result of future highway improvements. Future state costs would depend upon the number of future highway projects in Mendocino County that require a small PUD to relocate or remove utility infrastructure.

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