

SIDE LETTER OF AGREEMENT

BETWEEN

CITY OF CORONA

AND

CORONA UTILITIES EMPLOYEE ASSOCIATION

This Side Letter of Agreement (“Agreement”) between the City of Corona (“City”) and the Corona Utilities Employee Association (“CUEA”) is entered into with respect to the following:

WHEREAS, the employees in CUEA are subject to the terms and conditions of employee set forth in the Memoranda of Understanding (MOU) between the City and the Corona Public Service Employees Association (“CPSEA”) with terms of November 16, 2021 to December 31, 2024, and January 1, 2025 to December 31, 2027; and

WHEREAS, the City has been advised by the California Public Employees’ Retirement System (CalPERS), that the rate at which it reports pensionable holiday pay to CalPERS (i.e., 1.5 times the FLSA Regular Rate of Pay) is not sufficiently descriptive in the MOU; and

WHEREAS, CalPERS has advised the City that to be able to report the holiday pay at 1.5 times the FLSA regular rate of pay, the MOU needs to be amended to more sufficiently describe the rate at which holiday pay will be reported to CalPERS; and

WHEREAS, the Parties wish to make a change to the relevant language in the MOU (as it applies to the employees in the CUEA who are currently negotiating for their first MOU) to be able to report holiday pay to CalPERS at 1.5 times the FLSA Regular Rate of Pay; and

WHEREAS, the Parties wish to update language regarding annual leave cash out to ensure compliance with regulations regarding Post Employee Health Plan administration, and update language regarding Meal Periods;

WHEREAS, the changes set forth in Part 1 below will go into effect retroactively to the beginning of the CPSEA MOU - November 16, 2021, and the changes to Part 2 and Part 3 below will go into effect on November 20, 2025;

WHEREAS, the following sets forth the Parties’ Agreement:

Part 1. The parties agree to the changes set forth below in track changes in Section 22.1 of the CPSEA MOU as it applies to the employees in CUEA:

Section 22.1 – How Holidays are Observed and Paid

Employees in the unit work either “with regard to holidays” or “without regard to holidays”. Employees who work “with regard to holidays” have holidays off and employees who work “without regard to holidays” work in positions where the employee is required to work on a holiday.

Employees who work with regard to holidays: (Employees in all classifications, except those listed below)

All holidays in the above list will be observed on the actual day of the holiday except for holidays that occur on a Sunday. For holidays that occur on a Sunday the observed day shall be the following Monday.

If the observed holiday falls on an employee's regular workday, and the employee does not work on that day, they shall be paid for their regularly scheduled hours, up to ten hours. For employees who work schedules in excess of ten (10) hours per day, they can use annual leave or accrued compensatory time to be paid for the hours above ten (10) hours on a holiday. Employees without such leave will only be paid for ten hours for the holiday.

If the employee is required to work on a holiday due to an emergency or other unintended event, the employee shall be paid time and one-half at the FLSA regular rate of pay (which includes those forms of additional compensation included in Article 5 of this MOU to which the City is required to include in calculating the FLSA regular rate of pay) for all hours worked, plus accrue 10 hours of Annual Leave.

For holidays that fall on the employee's regular day off, employees shall accrue Annual Leave hours equal to the number of hours of their regular shift, up to a maximum of ten (10) hours per day. These Annual Leave hours may be used by the employee (including employees on their initial probationary period) as Annual Leave.

Employees who work without regard to holidays: (Employees in the following classifications): Water Operators, Water Reclamation Operators, Lead Water Reclamation Operator, Lead Water Operator, Senior Reclamation Operator, Senior Utility Service Worker, Senior Water Operator, and Utility Service Worker.

For employees who work "without regard to holidays", a holiday will be observed on the actual dates above. Since those employees typically work on a holiday, the employee shall be paid time and one-half at the FLSA regular rate of pay (which includes those forms of additional compensation included in Article 5 of the terms and conditions to which the City is required to include in calculating the FLSA regular rate of pay) for all hours worked on the holiday, plus receive pay for 10 hours in lieu of holiday leave. If the holiday falls on the employee's regular day off, the employee shall accrue 10 hours of Annual Leave.

If the holiday falls on the employee's regular work day but employee does not work on that day, then the employee will be paid for their regular shift, up to 10 hours. If the employee's regular shift is longer than 10 hours the employee may supplement Annual Leave or CTO to receive a full paycheck for that day.

Rules Applicable to All Employees Whether They Work With or Without Regard to Holidays:

Employees that work on the day of an observed holiday shall be paid at time and one-half at the FLSA regular rate of pay (which includes those forms of additional compensation included in Article 5 of the terms and conditions to which the City is required to include in calculating the FLSA regular rate of pay) for all time worked on the holiday, plus holiday pay equal to the number of hours of their regular shift on that day, with a maximum of ten (10) hours.

An employee is deemed to “work” on the day their shift starts. For example, if the holiday falls on Thursday, an employee working a shift that begins Wednesday night and ends on Thursday morning is not considered to work on the holiday; however, an employee whose shift begins Thursday night and ends Friday morning is considered to work on the holiday.

In compliance with the California Public Employees’ Retirement System regulations and definition of Special Compensation the additional compensation paid to employees who are normally required to work on holidays because they work positions that require scheduled staffing without regard to holidays shall be reported to CalPERS as compensation earnable or pensionable compensation per Title 2 CCR, Section 571(a)(5) and 571.1(b)(4) as a “Holiday Pay”. However, it is ultimately CalPERS who determines whether any form of pay is reportable special compensation.

Part 2. The parties agree to the changes set forth below in track changes in Section 22.1 of the of the CPSEA MOU as it applies to the employees in CUEA:

Section 21.4 – Cash Out or Conversion of the Value of Annual Leave

There are three situations described below when an employee may have their Annual Leave cashed

out or converted to deferred compensation or paid as taxable wages by the City. All Annual Leave cashed out or converted to deferred compensation in this section will be valued at employees’ base hourly rate of pay for employees in Tiers II and base hourly rate of pay plus the 3% Longevity Pay for employees in Tier I.

21.4.1 – Maximum Accrual of Annual Leave – Conversion above 584 Hours

At the end of the last day of the last pay period that ends in each calendar year, if an employee has accrued more than 584 hours of Annual Leave, the Annual Leave hours in excess of 584 hours will be converted to the monetary equivalent as described in Section 21.4 and the dollar value placed in the employee’s deferred compensation account (set up per IRS code section 457) or Roth IRA up to the maximum permitted by law. Any amounts over the IRS annual limit will be paid out as taxable wages.

For employees who have informed the City that they will be retiring at the end of the calendar year, they will have the option to allow the hours above 584 to be subject to section 21.4.2.

Part 3. The parties agree to the changes set forth below in track changes in Section 19.2 of the of the CPSEA MOU as it applies to the employees in CUEA:

Section 19.2 - Meal Periods

Employees are required to take a meal period of thirty (30) minutes or (60) minutes, each shift. The determination of which classifications have (30) minutes, and which have (60) minutes shall be established through the meet and confer process.

Those employees who were receiving a paid meal period at the time of the approval of this MOU (Water Operators (I/II/III Flex), Water Reclamation Operators (I/II/III Flex), Lead Water Operators, and Lead Water Reclamation Operators), will continue to do so. For all other employees, meal periods are unpaid. An employee with an unpaid meal period who is required by their supervisor to work through their meal period shall be paid for such work.

FOR THE CITY OF CORONA

DocuSigned by:

 Jacob Ellis

560009B4056F04B4...

City Manager

Signed by:

 Lori Sassoon

560009B4056F04B8...

Lori Sassoon

Chief Talent Officer

11/26/2025

Date

11/26/2025

Date

FOR THE CORONA UTILITIES EMPLOYEE ASSOCIATION

Signed by:

 Rafael Vazquez

219CAE13E82B493...

Rafael Vazquez

President, CUEA

11/26/2025

Date