

IN THE IOWA DISTRICT COURT IN AND FOR MAHASKA COUNTY

REGIONAL UTILITY SERVICE  
SYSTEMS (RUSS),

Petitioner,

Vs.

MAHASKA COUNTY,

Respondent.

NO. EQEQ087624

**FINDINGS OF FACT,  
CONCLUSIONS OF LAW,  
AND RULING**

The above-entitled cause was reached for hearing, pursuant to assignment, on June 3, 2014. The Petitioner appeared by and through its attorney of record, Lucas Helling. The Respondent appeared by and through its attorneys of record, Greg Life and Charles Stream. Oral argument was presented and the matter was submitted. The Court has considered the arguments of counsel, the stipulations of the parties, the files involved, and now makes the following:

**FINDINGS OF FACT**

1. The Regional Utility Service System commission, known as "RUSS," is a creation of Chapter 28E. It was created on November 3, 1999. Originally, it consisted of six counties in southeast Iowa. Currently it consists of ten counties.

2. Each county has a county supervisor sit on the RUSS commission board.

3. The RUSS agreement contains no specific procedure for withdrawal of a member.

4. The backdrop of this case is Article XII of the Agreement entered into by the parties. Specifically, at Article XII, Section 1(e), the Agreement states as follows:

It is the intent of this Agreement that recourse to arbitration as prescribed shall be a mandatory condition precedent to the invocation of a judicial remedy or judgment and that such arbitration shall be final and binding upon the parties thereto save and except only as the law requires.

5. These parties became involved in a dispute regarding the Respondent's continued membership in the Petitioner's organization and whether the Respondent was delinquent regarding its membership dues.

6. The parties participated in a hearing on December 3, 2013, before a three-person arbitration panel.

7. Petitioner and Respondent stipulate that the three-person arbitration panel was asked to decide the following three questions: (1) whether under the terms of the 28E Agreement Mahaska County had withdrawn from said Agreement; (2) whether under the terms of the 28E Agreement Mahaska County owed dues for the fiscal year 2013; and (3)

whether under the terms of the 28E Agreement RUSS had the authority to impose penalties for late payment of dues.

8. Said panel on December 18, 2014, issued its Findings of Fact, Conclusions of Law, and Ruling. In its Ruling, the panel answered all three questions submitted to it.

9. Regarding the above three referenced questions, the arbitration panel ruled in favor of RUSS and against Mahaska County on questions 1 and 2. Regarding question 3, the arbitration panel ruled in favor of Mahaska County and against RUSS.

10. RUSS now seeks to enforce the arbitration agreement, and the County seeks to set aside the arbitration agreement and have a de novo trial in District Court.

11. On March 19, 2014, Mahaska County filed its Application pursuant to Iowa Code Section 679A.12 to have the District Court vacate, modify, or correct the arbitration panel's award.

#### **CONCLUSIONS OF LAW**

1. On limited review of an arbitration decision, every reasonable presumption will be indulged in favor of the legality of the arbitration award. *Ales v. Anderson, Gabelmann, Lower and Whitlow, P.C.*, 728 N.W.2d 832, 841 (Iowa 2007).

2. A party's disagreement with the arbitrators' conclusion is not grounds for vacating an award. *Id. at 842.*

3. Iowa Code Section 679A sets forth the grounds to vacate, modify, or correct an arbitration award.

### ANALYSIS

RUSS seeks enforcement of the arbitration panel's decision dated December 18, 2013. Mahaska County seeks to void that same decision. The County's argument is that because the original 28E Agreement fails to state the duration of the agreement, it has to be void. The problem with this argument is that this was not one of the stipulated three questions the panel was asked to resolve. In other words, the County wants to void the decision based on the panel's failure to address a question which was not presented by the parties to the panel.

By entering into the 28E Agreement, the parties agreed that disputes which arose between them would be settled by binding arbitration. The language of the Agreement is clear: "...arbitration shall be final and binding..." To allow the County a de novo trial in District Court would render the arbitration clause meaningless. Nowhere does the Agreement between the parties give one of them the authority for a de novo trial in District Court after arbitration.

From December 18, 2013, the County, pursuant to 679A.12, had 90 days to file its Application to Vacate, Modify, or Correct the panel's ruling. The County failed to do so. Its Application was filed on the 91<sup>st</sup> day, March 19, 2014. Even if the County's Application had been timely filed, the County's argument that the panel failed to answer a question not submitted to the panel would certainly not rise to the high level of scrutiny set forth in 679A.12. The bottom line: The panel's decision was not arbitrary or capricious.

### **RULING**

Accordingly, the Court now rules as follows:

1. RUSS's Application to Enforce Arbitration Award filed January 28, 2014, is hereby **GRANTED**.<sup>1</sup>
2. Mahaska County's Application filed March 19, 2014, is hereby **DENIED**.
3. The Mahaska County Clerk of Court shall assess all court costs associated with this matter to Mahaska County.

Dated: June 10, 2014.

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/s/JOEL D. YATES  
JUDGE, 8<sup>TH</sup> JUDICIAL DISTRICT

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<sup>1</sup> The one exception is the parties stipulate and agree that delinquent membership dues for Mahaska County are \$5,000.00, not \$8,000.00.

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**CERTIFICATE OF SERVICE:** The undersigned certifies that a true copy of this document was served on each person named (and checked) below, including attorneys of record, or the parties where no attorney is of record, by electronic mail or by enclosing this document in an envelope addressed to each named person at the respective addresses disclosed by the pleadings of record herein, with postage fully paid, by depositing the envelope in a United States depository or hand-delivered via courthouse mail on this \_\_\_\_ day of Jun-14.

Copies distributed via:

Email	Mail	Fax	Hand-Delivery	Recipient:
___	___	___	___	Lucas Helling: Petitioner Attorney
___	___	___	___	Greg Life and Charles Stream: Respondent Attorney
___	___	___	___	Court Administration

Signed: \_\_\_\_\_