

BEFORE THE IOWA WORKERS' COMPENSATION COMMISSIONER

IN RE: CITY OF DES MOINES'
 PETITION FOR DECLARATORY
 ORDER RE: APPLICABILITY OF
 GLOBAL SETTLEMENTS IN FUTURE
 WORKERS' COMPENSATION CLAIMS

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File No. 26700492.01

NOTICE OF PETITION
 FOR DECLARATORY RULING
 RE: APPLICABILITY OF
 GLOBAL SETTLEMENTS

Formal notice is given that the City of Des Moines filed a petition for declaratory order on July 10, 2026. The City of Des Moines seeks to have the Iowa Workers' Compensation Commissioner answer the following question:

Does the agreed-upon settlement that was approved and signed into order by the Workers Compensation Commissioner on August 5, 2025, have a binding effect on the parties as contemplated in Iowa Code Section 85.35(10), which would preclude any further filings by Mr. Watkins, including a claim under Iowa Code Chapter 85 and 85B? Otherwise stated, is Iowa Administrative Rule 876-6.1 ultra vires or, in the alternative, does Rule 876-6.1 prohibit global settlements despite agreement of the parties and approval of the Commissioner?

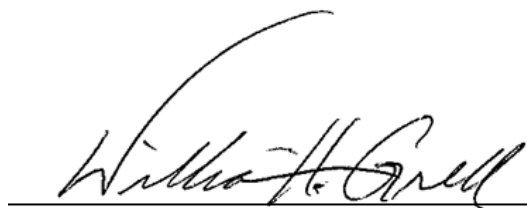
A copy of the Petition for Declaratory Order is attached to this notice. The application for declaratory order may affect your rights. You are encouraged to seek to intervene in this declaratory action if you believe your interests may be affected.

You must file a motion to intervene with the Workers' Compensation Division within 30 days of issuance of this notice, if you desire to intervene pursuant to 7 IAC 2503.3(1). The motion to intervene should be filed either via WCES or by sending an e-mail with the motion attached to the interim workers' compensation commissioner at william.grell@dia.iowa.gov. Failure to intervene within 30 days may result in a waiver of your right to be heard on this petition for declaratory order.

IN RE: CITY OF DES MOINES

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Signed and filed this 20TH day of July, 2026.

A handwritten signature in black ink, reading "William H. Grell", is written over a horizontal line.

WILLIAM H. GRELL
INTERIM WORKERS'
COMPENSATION COMMISSIONER

Copies to:

Christopher D. Spaulding as Attorney for Clifford Watkins III (via e-mail)

Constituent Distribution E-mail List (via e-mail)

BEFORE THE WORKERS' COMPENSATION COMMISSIONER

Petition by the City of Des Moines for a Declaratory Order on
Iowa Code Section 85.35 (3), (9.a), (10) and (then) 876 IAC 6.1
Or in the alternative, Request for Waiver of Rule
Related to Case Nos. 24700102.01 and 26700158.01

1. Statement of Facts

The facts in this matter are undisputed and undisputable as they are based entirely on the items included in the City's Appendix. Mr. Watkins entered into a global settlement on August 5, 2025, which included settlement of workers compensation claims but also, "any and all claims, actions, causes of action, demands, rights... which the Claimant has now or which may hereafter accrue in any way growing out of or related to the City of Des Moines". The settlement also included a severance agreement and allowed Mr. Watkins to remain on City-paid insurance for a period of two years. The total amount of the agreement was \$375,000. The Commission endorsed that agreement making it a binding order in Case No. 24700102.01 on August 6, 2025. Despite that, Mr. Watkins filed a Workers Compensation claim on March 12, 2026 (File No. 26700158), alleging hearing loss and tinnitus. The City answered denying compensability due to the existence of the global settlement.

Over the course of the last several months, the parties communicated about the legitimacy of this petition, in light of the global settlement. It was the City's position throughout that the global settlement foreclosed any and all actions against the City, which would include a new workers compensation claim and an occupational hearing loss claim. Watkins continued to assert that the global settlement still allowed for future workers compensation claims, rendering the

global settlement meaningless. During the course of these discussions, the undersigned discovered Iowa Administrative Rule 876-6.1, and determined that resolution was needed regarding whether 1) the Rule is ultra vires and/or 2) whether the enforceability of the order is called into question.

2. Citations

Iowa Code 85.35

3. The parties may enter into a compromise settlement of the employee's claim to benefits as a full and final disposition of the claim.

9. a. A settlement shall be approved by the workers' compensation commissioner if the parties show all of the following: (1) Substantial evidence exists to support the terms of the settlement. (2) Waiver of the employee's right to a hearing, decision, and statutory benefits is made knowingly by the employee. (3) The settlement is a reasonable and informed compromise of the competing interests of the parties. b. If an employee is represented by legal counsel, it is presumed that the required showing for approval of the settlement has been made.

10. Approval of a settlement by the workers' compensation commissioner is binding on the parties and shall not be construed as an original proceeding. Notwithstanding any provisions of chapter 10A, subchapter III, this chapter, and chapters 85A, 85B, and 87, an approved compromise settlement shall constitute a final bar to any further rights arising under chapter 10A, subchapter III, this chapter, and chapters 85A, 85B, and 87 regarding the subject matter of the compromise and a payment made pursuant to a compromise settlement agreement shall not be construed as the payment of weekly compensation.

876-IAC-6.1

(2) The documents for a compromise settlement shall identify either the specific date or dates of injury or the specific injurious condition or conditions, or both. The documents for a compromise settlement, including any addendum to the documents, shall not contain any language that either expressly states or implies that the proposed compromise settlement is a final settlement of any and all injuries, known or unknown, that an employee may have sustained while employed by the employer. If a compromise settlement is submitted that does not comply with this subrule, the workers' compensation commissioner shall return the proposed compromise settlement to the party that submitted it.

3. Question Presented.

Does the agreed-upon settlement that was approved and signed into order by the Workers Compensation Commissioner on August 5, 2025, have a binding effect on the parties as

contemplated in Iowa Code Section 85.35(10), which would preclude any further filings by Mr. Watkins, including a claim under Iowa Code Chapter 85 and 85B? Otherwise stated, is Iowa Administrative Rule 876-6.1 ultra vires or, in the alternative, does Rule 876-6.1 prohibit global settlements despite agreement of the parties and approval of the Commissioner?

4. Answers Requested

The City of Des Moines requests the Commissioner determine that a settlement agreement, bargained for by the parties and approved by the Commissioner, has a binding effect. The City of Des Moines also requests the Commissioner declare that Iowa Administrative Rule 871-6.1 is not authorized by the statute and is, therefore, ultra vires.

5. Reasons for this Petition

In this case:

Clarify whether the order entered on August 5, 2025, has legal effect given the language of the statute as opposed to the Rule.

Enforce this order as the language unambiguously demonstrates was the intention of the parties, unless a party entered it in bad faith. Specifically, declaring that future cases filed by Mr. Watkins are barred under the order entered on August 5, 2025.

In a broader sense:

Allow for settlements that are desired and bargained for by both parties and are favored by courts.

Clarity for future potential settlements the City of Des Moines will bargain for and file.

6. A statement indicating whether the petitioner is currently a party to another proceeding involving the questions at issue and whether, to the petitioner's knowledge, those questions have been decided by, are pending determination by, or are under investigation by, any governmental entity.

The above-noted Iowa Code 85 and 85B claim, File No. 26700158, was filed on March 12, 2026. The City answered and denied compensability due to the existence of the previous order dated August 5, 2025. There is no hearing scheduling order as of yet.

7. The names and addresses of other persons, or a description of any class of persons, known by petitioner to be affected by, or interested in, the questions presented in the petition.

The City has often entered into these types of agreements. Based on recollection and belief, never before has a claimant filed a new action after entering into a global settlement. It is anticipated that all employers and employees should be advised about their right to and the lawfulness of global settlements.

8. Any request by petitioner for a meeting provided for by rule 876-5.7(17A).

The City of Des Moines defers to the Commissioner's discretion regarding holding a meeting or posing questions to the parties.

9. If the Commissioner does not issue a declaratory order, the City respectfully requests a waiver of the above-mentioned Rule, in place at the time of settlement and order, for the reasons stated above.

Respectfully Submitted,

/s/ Michelle Mackel-Wiederanders

Michelle Mackel-Wiederanders

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