



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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October 20, 2020

Travis Harlow, Chair  
Board of Trustees  
Village of Waterloo  
PO Box 127  
Waterloo, NE 68069

Travis Harlow, Chief  
Waterloo Volunteer Fire & Rescue, Inc.  
405 7<sup>th</sup> Street  
Waterloo, NE 68069

Wayne Kahlandt, President  
Waterloo Rural Fire Protection District #6  
517 South 251<sup>st</sup> Street  
Waterloo, NE 68069

Dear Sirs:

As you may know, the Nebraska Auditor of Public Accounts (APA) has received some financial concerns related to the Village of Waterloo (Village) Fire Department (Waterloo Fire Department), the Waterloo Rural Fire Protection District #6 (Fire Protection District), and the non-profit Waterloo Volunteer Fire and Rescue, Inc. (Waterloo Fire and Rescue). As a result, the APA began limited preliminary planning work to determine if a full financial audit or attestation would be warranted. The APA obtained relevant financial information from all three of the above-referenced entities, as outlined in this letter. Based upon the outcome of our preliminary planning work, including an analysis of the information received, the APA has determined it to be unnecessary for this office to perform a separate financial audit or attestation of any of the entities at this time.

Nevertheless, during the course of the preliminary planning work, we noted certain internal control issues that are presented below. The following information is intended to improve internal controls or result in other operational efficiencies.

### **Background**

The Village includes the Waterloo Fire Department in its municipal budget. The Village's Board of Trustees (Board) annually appoints the fire chief. The current fire chief is Travis Harlow, who also serves as the Board Chairperson.

The following are the current Board members:

Travis Harlow, Chairperson  
Bill Rotert, Vice Chairperson  
Garry Lee  
David Rochford  
Ken Hitchler

In June 2009, the Village entered into an interlocal agreement with the Fire Protection District, which is a separate governmental entity. The interlocal agreement says that the Fire Protection District "shall include the informal organization of Firefighters known as 'Waterloo Fire and Rescue.'" This appears to be a reference to the

independent Waterloo Fire and Rescue, which serves the Village as an autonomous non-profit corporation. The purpose of the agreement is to “determine the need for, and provide fire protection and rescue operations within and without the boundaries of the District and the Village, and to join together cooperatively to provide such fire protection and rescue operations[.]” See **Attachment A**.

The Board of Trustees for the Fire Protection District are listed below:

Wayne Kahlandt, President  
Kent Merryweather, Vice President  
Alex Walton, Secretary/Treasurer  
Donald Walvoord, Director  
Todd Tyler, Director

The Fire Protection District constructed and owns the fire station located within the corporate limits of the Village. The interlocal agreement between the Village and the Fire Protection District specifies how costs related to that building are to be shared by those two parties.

Waterloo Fire and Rescue has been in operation for more than five decades; however, not until February 2018 did it make the necessary filing with the Nebraska Secretary of State to establish itself as a non-profit corporation. That initial filing listed the following individuals as the Directors for Waterloo Fire and Rescue:

Travis Harlow  
Thomas Korpela  
Steve Thurber

However, in February 2019, when Waterloo Fire and Rescue’s biennial report was filed with the Nebraska Secretary of State, the following different Directors were listed:

Larry Foy  
Wayne Kahlandt  
Alex Walton  
Donald Walvoord  
Kent Merryweather

These Directors were the same as those listed for the Fire Protection District at that time. Nevertheless, per discussion with Steve Thurber, Treasurer of Waterloo Fire and Rescue, there has been no change in Directors. Consequently, the filing made in February 2019 appears to be inaccurate.

The APA found also that Waterloo Fire and Rescue has failed to file the required IRS Form 990, “Return of Organization Exempt from Income.”

### **Comments and Recommendations**

#### **1. Use of Public Funds**

The non-profit Waterloo Fire and Rescue appears to have been using public funds inappropriately, as follows:

##### *EMS Billing*

A corporation called EMS Billing Services, Inc., handles all billings and collections for rescue and ambulance services provided by Waterloo Fire and Rescue. The recipients of these services pay for them with personal funds, private insurance, public insurance, including Medicare or Medicaid, or a combination thereof. The revenues received from EMS Billing Services, Inc., are deposited solely into Waterloo Fire and Rescue’s bank account.

The APA confirmed that, from January 2020 through May 18, 2020, the following amounts from EMS Billing Services, Inc., were deposited into the Waterloo Fire and Rescue account (number ending in 00528) at the local branch of Foundation One Bank:

Bank Deposit Sheet - Account #			Page 6
EMS BILLING SERVICES, INC WATERLOO FIRE AND RESCUE Tuesday, August 18, 2020, 10:29 AM			
Date	Reference	Description	Amount
01/07/2020	EFT 7215399 01/03/20 322.98		322.98
01/07/2020	95259569		1568.80
01/07/2020	1177		100.00
01/20/2020	40160307		219.73
01/20/2020	1094		39.16
01/20/2020	EFT 643956 01/16/20 250.00		250.00
01/20/2020	95371924		674.59
01/22/2020	NON COVERED SERVICE		0.00
01/22/2020	PART A ONLY		0.00
01/22/2020			0.00
01/22/2020	UHC REQUEST INFO FROM PT		0.00
01/22/2020	AUTH 400712		10.00
01/28/2020	BELONGS TO WAHOO RESCUE		10.00
02/10/2020	EFT 7400489 02/06/20 322.98		322.98
02/10/2020	1707		970.11
02/18/2020	6200		170.00
02/18/2020	193016360		70.31
02/18/2020	193016360		12.08
02/18/2020	1102		39.16
02/18/2020	1895		85.00
02/18/2020	AUTH 012716		170.00
02/25/2020	13225456		1693.00
02/25/2020	26369295467		142.86
03/02/2020	NO RESPONSE FROM INSURANCE		0.00
03/12/2020	EFT 899261036 03/12/20 359.10		359.10
03/18/2020	195250653		70.31
03/18/2020	195250653		12.08
03/18/2020	1898		85.00
03/18/2020	1204		100.00
04/16/2020	7105		100.00
04/21/2020	40162949		549.74
04/21/2020	1922634		1568.80
04/28/2020	EFT 899360165 04.08.20 359.10		359.10
04/28/2020	EFT 899381005 04.15.20 349.62		349.62
04/28/2020	EFT 43668487 04.23.20 89.19		89.19
04/29/2020	2699515		646.00
05/12/2020	NON COVERED SERVICE		0.00
05/12/2020			0.00
05/12/2020			0.00
05/18/2020			0.00
05/18/2020	25900179		91.60
05/18/2020	96230868		965.00
05/18/2020	1222		100.00

Note: The APA redacted the Description column to protect client names.

Nebraska law allows a volunteer fire or rescue department to establish its own trust fund. Specifically, Neb. Rev. Stat. § 35-901(2) (Reissue 2016) states the following:

*Except as provided in subsection (4) of this section, each volunteer department may establish a volunteer department trust fund. All general donations or contributions, bequests, or annuities made to the volunteer department and all money raised by or for the volunteer department shall be deposited in the trust fund. The trust fund shall be under the control of the volunteer department, and the volunteer department may make expenditures from the trust fund as it deems necessary. The treasurer of the volunteer department shall be the custodian of the trust fund.*

However, § 35-901(4)(b) contains the following exception:

*Funds, fees, or charges solicited, collected, or received by a volunteer department that are (i) in consequence of the performance of fire or rescue services by the volunteer department at a given place and time, (ii) accomplished through the use by the volunteer department of equipment owned by the taxing authority supporting such department and provided to the volunteer department for that purpose, and (iii) paid by or on behalf of the recipient of those services shall not be deposited in a trust fund authorized by this section. Such funds are public funds of the taxing authority supporting the volunteer department and are deemed to have been collected by the volunteer department as the agent of the taxing authority and are held by the department on its behalf. If such funds are in the possession of*

*a volunteer department, the taxing authority shall cause all the books, accounts, records, vouchers, expenditures, and statements regarding such funds to be examined and independently audited at the expense of the taxing authority by a qualified professional auditor or the Auditor of Public Accounts for the immediately preceding five years.*

(Emphasis added.) Therefore, any funds received by the non-profit Waterloo Fire and Rescue for performing its duties while using Village or Fire Protection District equipment must be remitted directly to the Village or the Fire Protection District, not deposited into a separate bank account.

Between the Village, the Fire Protection District, and Waterloo Fire and Rescue, there are two rescue vehicles:

- 1) A Ford F650 Squad, which was purchased through a 2017 interlocal agreement between the Village and the Fire Protection District and is registered in the name of both entities. Waterloo Fire and Rescue paid one-third of the cost without a written agreement with the District. See **Attachment B**.
- 2) A 2007 Ford Super-Warrior/Ambulance, which is currently registered in the name of “Waterloo Fire & Rescue.” According to the Treasurer for Waterloo Fire and Rescue, this vehicle is owned and titled by that non-profit entity.

Both rescue vehicles are insured by the Fire Protection District.

When responding to emergencies, the non-profit Waterloo Fire and Rescue is able to use either of the two rescue vehicles that serve the Village; however, for billing purposes, no differentiation is made between which of the two vehicles is used. This is problematic because, as pointed out above, § 35-901(4)(b) requires any funds received by Waterloo Fire and Rescue for performing its duties while using a Village or Fire Protection District rescue vehicle to be remitted directly to the owner of that automobile. Without differentiating between the vehicles used to respond to a particular emergency, it is virtually impossible to determine the proper disposition of any funds received for that call.

*NRD Agreement*

In 2017, the Fire Protection District entered into an interlocal agreement with the Papio-Missouri River Natural Resources District (PMRNRD) to carry out certain river rescue operations. Travis Harlow, as fire chief, signed the agreement on behalf of the Fire Protection District. Under this agreement, the PMRNRD promised to reimburse the Fire Protection District an amount not to exceed \$30,000 per calendar year.

See **Attachment C** for a copy of the interlocal agreement.

Instead of the Fire Protection District receiving the \$30,000 paid by the PMRNRD in 2020 pursuant to the interlocal agreement, the non-profit Waterloo Fire and Rescue, which is not a party to the pact, deposited those funds into its own bank account.

The following is an image of the check stub issued by the PMRNRD:

PAPIO - MISSOURI RIVER NATURAL RESOURCES DISTRICT			To: WATERLOO RURAL FIRE DISTRICT	98958	7/9/2020
INVOICE NUMBER	DATE	DESCRIPTION	AMOUNT	DISCOUNT	NET AMOUNT
2019 BOAT	6/15/2020	WATERLOO VFD- PUBLIC SAFETY	\$30,000.00	\$0.00	\$30,000.00
Totals:			\$30,000.00	\$0.00	\$30,000.00

The following image is from the July 2020 bank statement for Waterloo Fire and Rescue’s account (number ending in 8777) with the local branch of Foundation One Bank.

Account Activity				
Post Date	Description	Debits	Credits	Balance
07/01/2020	Beginning Balance			\$25,769.95
07/29/2020	DEPOSIT		\$30,000.00	\$55,769.95
07/31/2020	SERVICE CHARGE	\$8.00		\$55,761.95
07/31/2020	Ending Balance			\$55,761.95

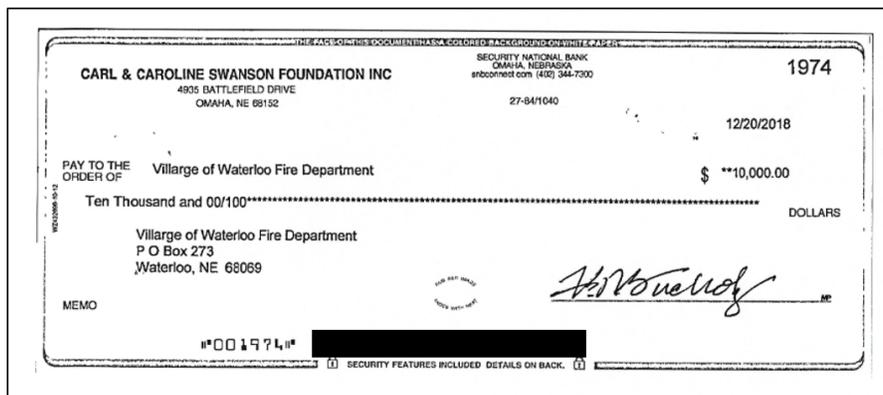
Neb. Rev. Stat. § 35-511 (Reissue 2016) says, in relevant part, the following:

*All donations, contributions, bequests, annuities, or borrowed money received by or on behalf of the [fire protection] district shall be deposited with the secretary-treasurer of the district and shall be drawn out only upon proper check.*

Money paid to the Fire Protection District, whether for services rendered under the interlocal agreement with the PMRNRD or otherwise, are public funds that should be deposited into the proper bank account, not given to the non-profit Waterloo Fire and Rescue to manage.

*Other Check Made Payable to Village*

On January 3, 2019, the following check, made payable to the Village, was deposited to Waterloo Fire and Rescue’s bank account (number ending in 8777) at the local branch of Foundation One Bank:



An image from that bank statement is shown below (deposit includes two other checks totaling \$1,500):

Deposits		
Date	Description	Amount
01/03/2019	DEPOSIT	\$11,500.00

Funds payable to the Village are public money and should be handled accordingly, not turned over to the non-profit Waterloo Fire and Rescue.

Neb. Rev. Stat. § 17-606(1) (Cum. Supp. 2018) provides, in relevant part, the following:

*The treasurer of each city of the second class or village shall be the custodian of all money belonging to the city or village.*

Likewise, Neb. Rev. Stat. § 17-607(1) (Cum. Supp. 2018) states the following, in relevant part:

*The treasurer of a city of the second class or village shall deposit, and at all times keep on deposit, for safekeeping, in banks, capital stock financial institutions, or qualifying mutual financial institutions of approved and responsible standing, all money collected, received, or held by him or her as city treasurer or village treasurer.*

Good internal controls require procedures to ensure that public funds are deposited with and used only by the public entity to which they are due.

Without such procedures, there is an increased risk for not only loss or misuse of Village or Fire Protection District funds but also noncompliance with State statute.

We recommend the Village and the Fire Protection District implement procedures to ensure the following: 1) rescue vehicle usage is specified to allow for a determination regarding the proper disposition of funds received for any emergency response; and 2) funds due and paid to the Village or the Fire Protection District are treated as public monies and handled in accordance with State statute, not turned over to the non-profit Waterloo Fire and Rescue, or any other private entity, to manage.

*Waterloo Fire Chief Response: EMS Billing proceeds have from exception of the Waterloo Fire Department been deposited in the Waterloo Fire and Rescue account. The funds are used to maintain the squads, purchase squad supplies, EMS training, Etc. Corrective measures starting Jan 1, 2021 all rescue squads titled in Waterloo Fire and Rescue will be transferred to the Waterloo Rural Fire Department. Also, EMS billings will be deposited into a Waterloo Rural Fire Checking account and will be budgeted and used to maintain the squads, purchase squad supplies, EMS training, Etc. All boats and water rescue equipment along with any interlocal agreement funds for Water Rescue protection will also flow through the Rural Fire Department.*

**2. Payments of Public Funds**

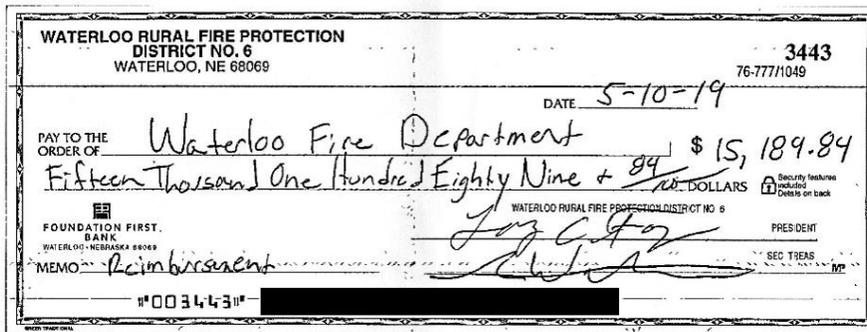
*Budget Process*

Waterloo Fire and Rescue pays for certain expenses that have been budgeted by either the Village or the Fire Protection District and then seeks reimbursement from those entities for the payments. Expenses that are budgeted by the Village or Fire Protection District should be authorized by those public entities, respectively, through the normal approval process.

Waterloo Fire and Rescue submitted the following list of expenses to the Fire Protection District in May 2019:

5/9/2019			
Rural Pre-Paid WFD			
1/10/2019	Interstate Diesel	\$ 1,990.76	830/831 Service
3/14/2019	Fluent IMS	\$ 1,800.00	Paging Services
5/8/2019	Elite Vehicle Outfitters	\$ 592.00	830 Lights
5/8/2019	Fireschool	\$ 115.00	Tyler Registration
5/9/2019	Woodhouse	\$ 1,042.31	820 Repair
5/9/2019	MES	\$ 638.75	SCBA Flow Test
5/9/2019	State Fire Marshall	\$ 150.00	Fire Certifications, Pojar, Mitchell
4/16/2019	Banghart	\$ 3,973.54	Excursion Repair
5/1/2019	Interstate Diesel	\$ 371.43	830 Service
4/29/2019	Interstate Diesel	\$ 613.56	821 Service
4/29/2019	Interstate Diesel	\$ 1,759.37	862 Service
11/3/2018	Menards	\$ 751.25	Tools/Training
10/30/2018	Amazon	\$ 533.25	FF1 Books
12/28/2018	Hatcher	\$ 858.62	830 Service
<b>Total</b>		<b>\$ 15,189.84</b>	

The following is an image of the check issued by the Fire Protection District as reimbursement for the above expenses, which Waterloo Fire and Rescue paid on its behalf.

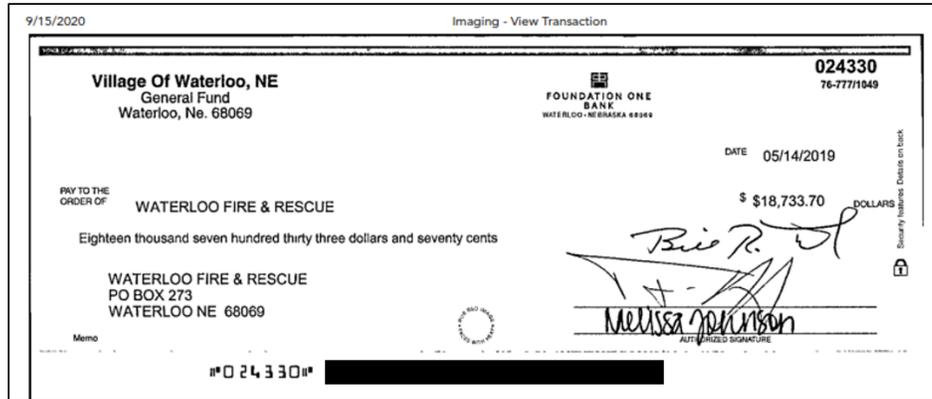


The APA determined that the last payment on the above list, for \$858.62 to Hatcher, was actually a duplicate payment. That same payment was included in the first line paid to Interstate Diesel for \$1,990.76. Therefore, the Fire Protection District overpaid Waterloo Fire and Rescue for this expense.

Similarly, the Village received the following list of bills from Waterloo Fire and Rescue:

5/9/2019		Village Pre-Paids WFD	
12/10/2019	Advanced Heating	\$ 3,989.00	Furnace Unit Kitchen ✓
12/11/2019	Continental Sprinkler	\$ 128.00	Standpipe Battery ✓
11/27/2018	Fireguard	\$ 268.75	Backflow Testing ✓
11/30/2018	Cummings	\$ 324.66	Generator Inspection ✓
12/11/2019	Fireguard	\$ 102.75	800 Fire Extinguisher Inspections ✓
12/30/2019	Creighton EMS	\$ 300.00	EMS Refreshers ✓
12/31/2019	One Stop Creates	\$ 51.98	website ✓
1/16/2019	Metro CC	\$ 775.00	EMT Class - Alexa ✓
2/4/2019	AR Custom Solutions	\$ 3,368.50	Building Security Upgrades ✓
2/13/2019	Hotsy	\$ 222.89	Hotsy Repairs ✓
5/9/2019	Metro CC	\$ 2,112.50	EMT Classes - Chris K, Drew ✓
5/9/2019	Office Supplies Amazon	\$ 597.78	Office Supplies ✓
5/1/2019	Interstate Diesel	\$ 524.06	820 Service ✓
5/1/2019	Interstate Diesel	\$ 1,802.68	822 Service ✓
4/30/2019	Interstate Diesel	\$ 377.78	861 Service ✓
4/17/2019	Amazon	\$ 104.65	EMS Books ✓
3/29/2019	Amazon	\$ 174.27	EMS Books ✓
4/18/2019	Amazon	\$ 35.06	Office Supplies ✓
4/27/2019	Menards	\$ 342.88	Station Electrical Upgrade S/B 1291.30
4/17/2019	Amazon	\$ 177.48	Station Flag ✓
20-Feb	Amazon	\$ 112.45	820 Parts ✓
10/30/2018	Amazon	\$ 142.24	Office Supplies ✓
1/15/2019	oreillys	\$ 25.98	800 Generator Parts ✓
3/5/2019	Amazon	\$ 447.37	EMT Books x 4 ✓
5/9/2019	Metro CC	\$ 2,112.50	EMT Classes - Paul, Jodie ✓
5/1/2019	EMP	\$ 112.49	Pub Ed Materials ✓
		Total \$ 18,733.70	

The Village reimbursed these expenses with check number 24330, dated May 14, 2019, as shown below:



The APA finds these payments by the Fire Protection District and the Village to be problematic for a number of reasons.

First, neither the Fire Protection District nor the Village appears to have a written agreement with Waterloo Fire and Rescue for such a financial arrangement. More importantly, as mentioned already, the expenditures noted are budgeted by the Fire Protection District and the Village – meaning that the disbursements should follow the normal purchasing and approval processes established for those entities.

Furthermore, this type of activity might be viewed as a circumvention of the budget and approval authority of the public entities. Instead of waiting for the Board of either entity to approve the expenses, the fire chief appears to be making the purchases as needed, using Waterloo Fire and Rescue funds, and then requesting reimbursement from the respective governing bodies. Due to the timing of the reimbursement requests submitted to both public entities, moreover, the charges are not recorded in the correct budget period.

The following image is another example of a reimbursement request by Waterloo Fire and Rescue, which was submitted to the Village in May 2020:

Village Pre-Paid WFD			
5/10/2019	Cummins Sales	✓ \$ 485.92	Generator P/M
5/14/2019	Continental Alarm	✓ \$ 150.00	Fire Extinguisher Water for Station
5/14/2019	Millard Sprinkler	✓ \$ 727.95	Lawn Sprinkler Repairs
5/14/2019	Amazon	✓ \$ 1,719.48	Winch for 822
5/14/2019	Amazon	✓ \$ 207.63	Winch Cable 822
5/15/2019	Amazon	✓ \$ 267.46	Cables & Strapping 822
5/15/2019	Baxter Auto	✓ \$ 199.00	822 Repairs
5/24/2019	AR Custom Solutions	✓ \$ 1,856.34	Garage Door Opener Repairs
5/24/2019	AR Custom Solutions	✓ \$ 707.00	Security Repairs Station
6/4/2019	Nebraska State Patrol	✓ \$ 46.38	Paul Stewart EMT License Fee
6/13/2019	AR Custom Solutions	✓ \$ 668.00	Station Access Readers
7/16/2019	Jensen Tire	✓ \$ 375.50	822 Tire Repair
7/31/2019	Site One Landscaping	✓ \$ 290.62	Sprinkler System Repairs
8/8/2019	AR Custom Solutions	✓ \$ 243.00	Power Supply for Access Control
9/11/2019	Metro CC	✓ \$ 792.00	EMT Class - David Karas
9/11/2019	Amazon	✓ \$ 29.86	Office Supplies
10/29/2019	Debbie VonSeggern	✓ \$ 1,605.00	EMS Refreshers
11/15/2019	Amazon	✓ \$ 55.40	Office Supplies
12/4/2019	Advanced Heating	✓ \$ 29.90	Bay Units Heater Repair
12/19/2019	Amazon	✓ \$ 202.12	Printer for Bays
1/6/2020	Creighton University	✓ \$ 325.00	Medic Refresher Jami Mitchell
1/7/2020	Creighton University	✓ \$ 325.00	Medic Refresher Randy Fuller
1/14/2020	Creighton University	✓ \$ 325.00	Medic Refresher Chris Hansen
1/16/2020	Creighton University	✓ \$ 325.00	Medic Refresher Andrew Longwell
1/20/2020	Creighton University	✓ \$ 325.00	Medic Refresher James Cooke
Total of Invoices		\$ 12,283.56	

*old fiscal*

The above listing from Waterloo Fire and Rescue is dated May 4, 2020. As shown therein, however, a significant portion of the expenses, \$7,966.14, was incurred for the prior fiscal year but was recorded by the Village in June 2020, the subsequent fiscal year.

The following entry is from the Village’s accounting system:

6/9/2020	AP	14065	AP off-setting entry	5420 Waterloo Fire & Rescue	24937	\$12,283.56
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*Sales Taxes*

Additionally, as governmental entities, both the Fire Protection District and the Village are tax exempt. Neb. Rev. Stat. § 77-2704.15(1)(a) (Reissue 2018) states, in relevant part, the following:

*Sales and use taxes shall not be imposed on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption in this state of purchases by the state, including public educational institutions recognized or established under the provisions of Chapter 85, or by any county, township, city, village, rural or suburban fire protection district . . . .*

As a private, non-profit entity, Waterloo Fire and Rescue does not qualify for the above statutory exemption; therefore, it must pay applicable sales taxes. Consequently, when the Fire Protection District and the Village reimburse Waterloo Fire and Rescue for expenses, they pay also for any sales taxes incurred – none of which those governmental entities would have paid had they made those purchases themselves.

The Village paid the following sales taxes on the \$18,733.70 reimbursement made to Waterloo Fire and Rescue on May 14, 2019 (pages 7-8 herein):

Date	Vendor	Sales Tax Amount Paid
10/30/2018	Amazon	\$ 2.59
11/30/2018	Cummins	\$ 2.21
3/5/2019	Amazon	\$ 29.27
3/29/2019	Amazon	\$ 11.40
4/17/2019	Amazon	\$ 6.85
4/17/2019	Amazon	\$ 11.61
4/18/2019	Amazon	\$ 2.29
4/30/2019	Interstate Power Systems	\$ 8.22
5/1/2019	Interstate Power Systems	\$ 16.80
5/1/2019	Interstate Power Systems	\$ 52.14
5/9/2019	Amazon	\$ 39.09
<b>Total</b>		<b>\$ 182.47</b>

The Fire Protection District paid the following sales taxes on the \$15,189.84 reimbursement made to Waterloo Fire and Rescue in May 2019 (pages 6-7 herein):

Date	Vendor	Sales Tax Amount Paid
5/9/2019	Woodhouse	\$ 47.91
5/1/2019	Interstate Diesel	\$ 6.15
4/29/2019	Interstate Diesel	\$ 9.77
4/29/2019	Interstate Diesel	\$ 67.97
<b>Total</b>		<b>\$ 131.80</b>

*Interlocal Agreement*

As noted at the outset of this letter (pages 1-2 herein), the Fire Protection District and the Village entered into an interlocal agreement for sharing the cost of operating the fire station in the Village and housing the fire equipment and other machinery owned by the parties.

The Interlocal Cooperation Act (Act) is set out at Neb. Rev. Stat. §§ 13-801 to 13-827 (Reissue 2012, Cum. Supp. 2018). Neb. Rev. Stat. § 13-804(2) (Reissue 2012) of the Act says the following:

*Any two or more public agencies may enter into agreements with one another for joint or cooperative action pursuant to the Interlocal Cooperation Act. Appropriate action by ordinance, resolution, or otherwise pursuant to law of the governing bodies of the participating public agencies shall be necessary before any such agreement may enter into force.*

For purposes of the Act, Neb. Rev. Stat. § 13-803(2) (Reissue 2012) defines a “public agency” as follows:

*Public agency shall mean any county, city, village, school district, or agency of the state government or of the United States, any drainage district, sanitary and improvement district, or other municipal corporation or political subdivision of this state, and any political subdivision of another state[.]*

As a private, non-profit corporation, Waterloo Fire and Rescue does not constitute a “public agency” that can be party to an interlocal agreement. Nevertheless, the interlocal agreement refers to Waterloo Fire and Rescue being “included” in the Fire Protection District. This is an odd assertion given that the two entities are not only completely separate but also distinct – one being public and the other being wholly private – in nature.

Although not a party to the interlocal agreement and not subject to any cost-sharing responsibilities therein, Waterloo Fire and Rescue is a third-party beneficiary of paragraph 3(d), which directs the Village to pay for “all bunker gear utilized by the [Waterloo Fire and Rescue] Squad.”

Rather than providing financial support to an outside beneficiary of an interlocal agreement to which that non-public entity cannot be a party, the Village should negotiate its own contracts directly with all recipients of municipal funds. Doing so would provide both more accountability and transparency with regard to the resulting expenditures.

Good internal controls require procedures to ensure that Village and Fire Protection District expenses are paid through the proper budget and approval processes of both public entities. In doing so, those procedures should ensure also that the proper budget and approval processes are not circumvented, and expenditures are recorded to the correct budget period. Additionally, those procedures should prevent the unnecessary payment of sales taxes on purchases and the use of interlocal agreements to provide financial benefits to any outside entity not a party thereto.

Without such procedures, there is an increased risk for circumvention of the public entities’ budget authorities, along with the misuse of public funds and other attendant consequences of such irregular activities.

We recommend the Village and the Fire Protection District implement procedures to ensure the expenses of both public entities are paid through the proper budget and approval processes. Additionally, those same procedures should prevent: 1) the proper budget and approval processes being circumvented; 2) expenditures being recorded to the incorrect budget period; 3) sales taxes being paid unnecessarily on purchases; and 4) interlocal agreements being used to provide financial benefits to any outside entity not a party thereto.

*Waterloo Fire Chief Response: The Waterloo Fire Department general funds paid all invoices and then quarterly sent itemized invoices to either the Village for their portion of invoice or also to the Rural Fire Department for their portion of the paid invoices. This practice will change, and each individual entity will pay its individual invoiced bills direct to the vendors.*

### 3. Fire Department Vehicle Listings

The APA found a number of concerns with the various motor vehicles housed in the Fire Protection District-owned fire station located in the Village.

First, there appears to be confusion regarding ownership of those vehicles. According to the following email message sent to the APA by the Village Clerk on August 21, 2020, the Village claims to own three firefighting vehicles and to co-own a rescue vehicle:

*The Village owns 2 brush trucks (820 is a 2009 Ford F550, 822 is a 2017 Ford F550) and a command vehicle (861 is a 2012 Ford Escape). We share in the expenses of one of the squads (#811).*

The APA found that two of the Village-owned firefighting vehicles, listed above as 820 and 811, have the same plate number, and vehicle 822 has no plate. This indicates that none of those vehicles have been registered properly with the Department of Motor Vehicles.

Similarly, on August 29, 2020, the non-profit Waterloo Fire and Rescue initially provided the APA with the following list of vehicles owned by it:

<b>Vehicle</b>	<b>VIN</b>	<b>Tag</b>	<b>Notes</b>
860 UTILITY	1FMSU41P05ED40576	37823	Forestry Unit, Not sure if titled to WFD
851 QUINT	1P9CA01JXGA039223	25856	LADDER TRUCK
ZODIAC BOAT	Z80106	N/A	BOAT
ROW BOAT	ACBC0646D212	N/A	ROW BOAT
810 RESQ SQUAD	1FDXE45P17DB01141	27542	SQUAD
ASPEN III	WDV20249A517	N/A	JETBOAT
PICKUP	1FTNW21L92EA97388	36145	UTILITY
AIRBOAT	NO HULL ID	N/A	AIRBOAT

Then, on September 1, 2020, Waterloo Fire and Rescue sent another email with the following information:

*Correction to the numbering system below on the vehicle assets.*

*“860 Utility” is actually 861 by designation (Ford Excursion) from the forestry division as noted.*

*“pickup” actually holds the 860 designation. (Ford F-250 pickup)*

*“810 Resq Squad” is technically a cost share between the rural district, fire dept and the village. Not sure which entity its [sic] actually titled to.*

Those emails merely added to the confusion regarding ownership of the motor vehicles used by the non-profit Waterloo Fire and Rescue. Therefore, the APA sent another list of questions regarding such ownership. The ensuing exchange is copied below, with the APA’s questions in blue and Waterloo Fire and Rescue’s responses in red:

- 1) *You said the 860 utility vehicle is actually 861 by designation. What does that mean? The Village already has a vehicle listed as 861 that is the Ford Escape. Please explain. Some members call it one unit number and other call it another as its roles change over the course of time. Lets just call it the Ford Escape moving forward.*
- 2) *The 2005 Ford Excursion appears to be titled under the Waterloo Rural Fire Dept. Is that the Rural District or your non-profit organization? That would be the Fire Department and not the Rural Fire District #6.*
- 3) *The 851 Quint you listed initially appears to be titled under the City of Wahoo using the VIN number provided. Please explain. The fire department recently purchased this unit from the City of Wahoo and it is not titled or in service yet.*
- 4) *The pickup (Ford F250) appears to be titled and registered under the Village’s name. So why is it listed as a vehicle of the non-profit? It was my understaning the Fire Department owned it as we have done the upkeep and maintained it since before my time. Apparently the Village does by title. Good to know.*

Aside from displaying the obvious perplexity regarding ownership of the firefighting vehicles at issue, the above email exchange appears to indicate that vehicle number 851 is not registered properly with the Department of Motor Vehicles.

The APA also inquired whether the airboat listed in Waterloo Fire and Rescue's initial response was registered properly. Neb. Rev. Stat. § 37-1204 (Reissue 2016) defines "motorboat" as follows:

*Motorboat shall mean any watercraft propelled in any respect by machinery, including watercraft temporarily equipped with detachable motors, but shall not include a vessel which has a valid marine document issued by the Bureau of Customs of the United States Government or any federal agency successor thereto.*

Neb. Rev. Stat. § 37-1214(1) (Supp. 2019) provides, in relevant part, the following:

*Except as otherwise provided in section 37-1211, the owner of each motorboat shall register such vessel or renew the registration every three years as provided in section 37-1226. The owner of such vessel shall file an initial application for a certificate of number pursuant to section 37-1216 with a county treasurer on forms approved and provided by the commission. The application shall be signed by the owner of the vessel, shall contain the year manufactured, and shall be accompanied by a registration fee for the three-year period . . . .*

The non-profit Waterloo Fire and Rescue acknowledged being unaware of any statutory registration requirements for motorboats.

Like both the Village Fire Department and the non-profit Waterloo Fire and Rescue, as addressed above, the Fire Protection District provided the APA with the following list of firefighting vehicles owned by it:

*Tanker 840 vin:3alhcyfe4ldle9606  
Plate: no plate*

*Engine 831 Vin:1htshadr6sh654945  
Plate:34849*

*Engine 830 Vin:4s7at40982c040425  
Plate:36143*

*Weed Truck 821 Vin:lcbjk34m8gj172637  
Plate:4813*

*Squad 811 is a cost share between the Village of Waterloo, Waterloo Members and the Waterloo Rural fire*

As noted previously, vehicle 811 appears to have the same license plate number as another Village-owned motor vehicle, and one of the Fire Protection District tankers does not have a license plate. This indicates that those vehicles were not properly registered with the Department of Motor Vehicles.

Neb. Rev. Stat. § 60-362 (Reissue 2010) provides, in relevant part, the following:

*Unless otherwise expressly provided, no motor vehicle shall be operated or parked and no trailer shall be towed or parked on the highways of this state unless the motor vehicle or trailer is registered in accordance with the Motor Vehicle Registration Act. There shall be a rebuttable presumption that any motor vehicle or trailer stored and kept more than thirty days in the state is being operated, parked, or towed on the highways of this state, and such motor vehicle or trailer shall be registered in accordance with the act, from the date of title of the motor vehicle or trailer or, if no transfer in ownership of the motor vehicle or trailer has occurred, from the expiration of the last registration period for which the motor vehicle or trailer was registered.*

From the Department of Motor Vehicles database and through inquiry of the three firefighting entities, the APA compiled the following list of motor vehicles:

Description	Owner	Insured By	Plate Number	ID
1986 Chev CB Truck	Waterloo Rural Fire Dist	District	4813	821
1995 International Harvester Co 4000 Series Straight Truck	Waterloo Rural Fire Dist #6	District	34849	831
2001 Spartan GA41M-2142	Waterloo Rural Fire Protection #6	District	36143	830
Ford F650	Waterloo Rural Fire District and Village of Waterloo	District	20079	811
2005 Ford Excursion XLT SV	Waterloo Rural Fire Department (District)	District	37823	860
Tanker	Waterloo Rural Fire Dist	District	No plate	840
1999 Ford DRW Super Duty F350 (Truck)	Waterloo Rural Fire Dist			862
2009 Ford Quick Attack 300 Fire Truck	Village of Waterloo and Waterloo Volunteer Fire Dept	Village	20079	820
2002 Ford SRW Super Duty F250 Pick Up Truck	Village of Waterloo	District	36145	863
2012 Ford Escape XLT SV	Village of Waterloo	Village	38190	861
2017 Ford F550	Village of Waterloo	Village	No plate	822
2007 Ford Super-Warrior/Ambulance	Waterloo Fire & Rescue	District	27542	810
1986 Pierce Aerial Truck (Ladder Truck)	City of Wahoo	District	25856	851
Zodiac Boat	Nothing Noted	District	N/A	
Row Boat	Nothing Noted		N/A	
Aspen III – jet boat	Nothing Noted	District	N/A	
Airboat	Nothing Noted	District	N/A	

Due to the many questions surrounding these vehicles, as described herein, the above listing may be incomplete. For example, some of the information is blank because the Fire Protection District failed to provide the information.

Good internal controls requires procedures to ensure that all motor vehicles, including motorboats, owned by the Village Fire Department, the non-profit Waterloo Fire and Rescue, and the Fire Protection District are registered properly to the correct owners.

Without such procedures, there is an increased risk of not only ongoing confusion regarding ownership of those firefighting vehicles but also noncompliance with State statute.

We recommend the Village Fire Department, the non-profit Waterloo Fire and Rescue, and the Fire Protection District implement procedures to ensure both the maintenance of accurate motor vehicle ownership records and the proper registration of all motor vehicles owned by them.

*Waterloo Fire Chief Response: As there was some confusion between the 3 entities involved with the operations of the Waterloo Fire and Rescue Department as to the call signs of each individual piece of apparatus. We do agree that there are some inconsistencies with common vehicle call signs, and we will provide each entities representative with the correct vehicle description and call numbers. We have also tasked Fire Captain Stewart with getting any unlicensed apparatus and watercrafts licensed and or plated correctly. We feel this will be corrected within 30 days.*

\* \* \* \* \*

The preliminary planning work that resulted in this letter was designed primarily on a test basis and, therefore, may not bring to light all existing weaknesses in the policies and procedures of the Village Fire Department, the non-profit Waterloo Fire and Rescue, or the Fire Protection District. Nevertheless, our objective is to use the knowledge gained during the performance of that preliminary planning work to make comments and suggestions that we hope will prove useful to those entities.

Draft copies of this letter were furnished to the Village Fire Department, the non-profit Waterloo Fire and Rescue, and the Fire Protection District to provide their respective managements with an opportunity to review and to respond to the comments and recommendations contained herein. Any formal responses received have been incorporated into this letter. Such responses have been objectively evaluated and recognized, as appropriate, in the letter. Any response that indicates corrective action has been taken was not verified at this time.

This communication is intended solely for the information and use of the Village Fire Department, the non-profit Waterloo Fire and Rescue, and the Fire Protection District and their respective managements. It is not intended to be, and should not be, used by anyone other than those specified parties. However, this letter is a matter of public record, and its distribution is not limited.

If you have any questions regarding the above information, please contact our office.

Audit Staff Working on this Letter:

Crystaphena Balquier, Auditor  
Cindy Janssen, Audit Manager

Sincerely,

A handwritten signature in cursive script that reads "Mary Avery". The signature is written in black ink and is positioned to the left of the typed name.

Mary Avery  
Special Audits and Finance Manager  
Phone 402-471-3686  
mary.avery@nebraska.gov

INTERLOCAL COOPERATION ACT AGREEMENT  
PROVIDING FOR THE OPERATION OF THE RURAL FIRE PROTECTION  
DISTRICT NO. 6 FIRE STATION WITHIN THE VILLAGE OF WATERLOO

THIS Interlocal Cooperation Act Agreement (Agreement) is made and entered into by and between the Waterloo Rural Fire Protection District No. 6, Douglas County, Nebraska, (District), which shall include the informal organization of Firefighters known as "Waterloo Fire and Rescue", (Squad), and the Village of Waterloo, Douglas County, Nebraska, (Village).

WITNESSETH:

WHEREAS, the parties hereto find it to their mutual advantage to cooperate in protecting lives and property against loss or destruction by fire and accident within and without the boundaries of the District and the Village; and

WHEREAS, under the terms and conditions of Nebraska Interlocal Cooperation Act (Neb. Rev.Stat. §13-801, et seq. R.R.S.) the District and the Village are authorized to take collective and cooperative action, without creating a separate entity, to determine the need for, and provide fire protection and rescue operations within and without the boundaries of the District and the Village, and to join together cooperatively to provide such fire protection and rescue operations; and

WHEREAS, the Village and the District have for many years successfully cooperated in supporting a Volunteer Fire and Rescue Department, and desire to continue to do so; and

WHEREAS, the District has constructed a Fire Station (Station) within the corporate limits of the Village on the following described real estate:

A tract of land in the west half of the Northwest Quarter of Section 10, Township 15, north of Range 10, east of the Sixth P.M., lying west of South 7th Street in the Village of Waterloo and being east of the section line between Sections 9 and 10 and south of the Union Pacific Railroad right-of-way; the east line of said tract being the center of South 7th Street. Said tract is better known as Outlot 13 in the Village of Waterloo, Douglas County, Nebraska; and

WHEREAS, the Village and the District have reached an agreement for sharing costs of housing the fire equipment and personal equipment owned by the parties located in said Station.

INTERLOCAL COOPERATION ACT AGREEMENT  
(Continued)

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants hereinafter expressed, the parties agree as follows:

1. It is contemplated that the parties will both utilize the Station and the District and the Village will jointly establish the areas of the Station which may be utilized by the Village. Neither party will charge the other for such use. The risk of loss of any property located in the Station shall be born by the owner of such property.

2. The District will pay:

(a) Premiums for insurance carried by the District, including without limitation: general liability, property damage and inland marine policies, which policies will name the Village as an additional insured;

(b) Premiums for public officials Liability and employment practices liability insurance; and

(c) For fuel purchased from Village for use in the District's vehicles.

3. The Village will pay:

(a) Premiums for worker's compensation insurance, and life insurance and accidental death insurance in the amount of \$10,000 for each active volunteer fire fighter, which policies shall name the District as an additional insured;

(b) Premiums for other insurance carried by the Village including without limitation: general liability, property damage, and inland marine, which policies will name the District as an additional insured;

(c) Premiums for Public Officials Liability and Employment Practices insurance policies; and

(d) For all bunker gear utilized by the Squad.

4. The following costs incurred in the utilization of the Station shall be divided equally between the District and the Village:

(a) All utilities utilized in the operation of the Station, including without limitation: electricity, natural gas, water, sewer and telephone service;

(b) Costs incurred in the repair and maintenance of the interior and exterior of the Station; and

INTERLOCAL COOPERATION ACT AGREEMENT  
(Continued)

(c) For supplies necessary for the operation of the Station and equipment, with the exception that each party will pay for repairs to its owned vehicles.

5. This Agreement shall become effective upon the approval of the final party to execute this Agreement and shall continue in effect for the primary term of ten (10) years, and for successive one year terms thereafter until it is terminated on an anniversary date by either party providing written notice of termination to the other party at least sixty (60) days prior to such anniversary date.

6. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

7. Village covenants that this Agreement has been formally approved by its Governing Body and District covenants that this Agreement has been formally approved by its Governing Body and its Board of Directors.

IN WITNESS WHEREOF, the parties have duly executed this Interlocal Cooperation Act Agreement as of the \_\_\_ day of \_\_\_\_\_, 2009.

RURAL FIRE PROTECTION DISTRICT #6,  
DOUGLAS COUNTY, NEBRASKA (WATERLOO)

By [Signature]  
President

Attest:

X [Signature]  
Secretary-Treasurer

VILLAGE OF WATERLOO, DOUGLAS COUNTY,  
NEBRASKA

By [Signature]  
Chairman

Attest:

[Signature]  
Village Clerk, Treasurer  
and Administrator

## INTERLOCAL COOPERATION AGREEMENT

This Interlocal Cooperation Agreement, made on the day last signed below by and between the Rural Fire Protection District No. 6 of Douglas County, Nebraska, (hereinafter referred to as "District") and the Village of Waterloo, Nebraska (hereinafter referred to as "Village").

WHEREAS, the District preforms provides fire protection and rescue services to the Village pursuant to interlocal agreement; and,

WHEREAS, the parties agree that it is in the best interest of the public that a new rescue squad be acquired by the District and used for such fire protection and rescue services; and

WHEREAS, the parties further agree that the cost of such rescue squad be shared between the parties; and

WHEREAS, this Agreement is entered into by the parties pursuant to the Nebraska Interlocal Cooperation Act (the "Act").

NOW, THEREFORE, in consideration of the above, the following is agreed between the parties hereto:

1. The District shall purchase, and hold title to, a rescue squad and requisite equipment (the "Rescue Squad"), as described on Exhibit "A" attached hereto and made a part hereof, from Suppliers and Field Fire Apparatus Company. The purchase price of the Rescue squad is approximately Two Hundred Thirty Thousand (\$230,000.00) Dollars.
2. The Rescue Squad shall be purchased and accepted by the District in 2017.
3. It is the intent of the Village to contribute to the purchase by paying the District one third of the total cost of the Rescue Squad through six annual payments. The Village shall pay two payments each of Twelve Thousand Seven Hundred Seventy-Eight (\$12, 778.00) Dollars, the first in 2016 and the second on or before January 30, 2017. After the total cost of the purchase is determined, including reasonable financing costs, the Village shall pay the remainder of its one-third commitment of the total cost in four equal payments on or before each succeeding January 30 from 2018 through 2021. Payments shall be held in a special account and not released to the District until the purchase price is due in part or in whole.
4. In the event the purchase of the Rescue Squad is not completed pursuant to the terms herein, this Agreement may be terminated by the Village and all funds provided by the Village shall be returned. The District may terminate this agreement at will by returning all Village funds.
5. The District may sell its bonds or seek other contributions to finance said purchase. No obligation of the Village to any subsequent bondholder or other third party shall be created by

Interlocal Cooperation Act Agreement

Attachment B

Interlocal Agreement Rescue Squad

this Agreement. The Village's financial contribution is subject to its annual appropriations pursuant to law.

6. No separate administrative or joint entity is created by this Agreement. The activities pursuant to this Agreement shall be administered by the District.

7. No provision of this Agreement shall effect or modify any other agreement between the parties.

8. This Agreement shall be binding upon the parties, their respective successors and assigns.

ATTEST:

VILLAGE OF WATERLOO

Melissa Johnson  
CITY CLERK

Kenneth L. Hill  
CHAIRPERSON

Date: 9-27-16

ATTEST:

RURAL FIRE PROTECTION  
DISTRICT NO. 6 OF DOUGLAS  
COUNTY

[Signature]  
CLERK OF THE DISTRICT

Jay CFay  
CHAIRPERSON

Date: 5-18-2017

WATERLOO RURAL FIRE DISTRICT  
PAPIO-MISSOURI RIVER NATURAL RESOURCES DISTRICT  
**INTERLOCAL COOPERATION ACT AGREEMENT**  
**ELKHORN RIVER WATER RESCUE FUNDING**

This Interlocal Cooperation Act Agreement (“AGREEMENT”) is hereby entered into by the WATERLOO RURAL FIRE DISTRICT of Waterloo, Nebraska (“WRFD”) and the PAPIO-MISSOURI RIVER NATURAL RESOURCES DISTRICT (THE “NRD”) (referred to collectively as “the PARTIES”).

WHEREAS, Nebraska law provides that among the purposes of the natural resources districts shall be to develop and execute, through the exercise of powers and authorities granted by law, plans, facilities, works, and programs relating to development and management of recreational and park facilities, Neb. Rev. Stat. § 2-3229; and

WHEREAS, natural resources districts also have authority under Neb. Rev. Stat. § 2-32,101 (2) to contract for law enforcement and security services for district owned and managed recreation areas; and

WHEREAS, natural resources districts may regulate swimming, wading, boating or “any water-related recreational activity” in any portion of a district recreation area, Neb. Rev. Stat. § 2-3296(1); and

WHEREAS pursuant to Neb. Rev. Stat. § 2-3229 (11), the NRD manages three canoe/rafting access areas on the Elkhorn River in Douglas County: Elkhorn Crossing, West Maple Road Site and Graske Crossing, and many of the persons engaging in canoeing, rafting and water-related recreational activities on the Elkhorn River are accessing the river by means of NRD managed access areas; and

WHEREAS, Neb. Rev. Stat. § 2-3235 authorizes natural resources districts to cooperate with or to enter into agreements with and, within the limits of appropriations available, to furnish financial or other aid to any cooperator, any agency, governmental or otherwise, or any owner or occupier of lands within the district for the carrying out of projects for benefit of the district as authorized by law, subject to such conditions as their boards of directors may deem necessary; and

WHEREAS, the WRFD currently conducts and participates in rescue operations for distressed rafters and canocists on the Elkhorn River in Douglas County, Nebraska; and

WHEREAS, this “AGREEMENT” is made pursuant to authority provided in the Nebraska Interlocal Cooperation Act (§§ 13-801, R.R.S., 1943, et seq.), and without any separate legal entity being created, to conduct the joint and cooperative undertaking contemplated herein, and whenever possible, this AGREEMENT shall be construed in conformity with such Act.

NOW, THEREFORE, in consideration of their mutual covenant hereinafter expressed, the PARTIES agree as follows:

**Section 1. River Rescue Operations.** The PARTIES agree that the WRFD will continue to carry out any necessary river rescue operations in its sole discretion and the NRD shall have no role, duty, oversight or responsibility in such operations of any kind.

**Section 2. Funding Contributions.** On or before the first day of each calendar quarter during the term of this AGREEMENT the NRD shall reimburse the WRFD for river rescue services conducted at or between the NRD's canoe/rafting access areas on the Elkhorn River in Douglas County [Elkhorn Crossing, West Maple Road Site and Graska Crossing] in an amount not to exceed a total of \$30,000 per calendar year.

**Section 3. Indemnifications.** Each of the PARTIES agrees to indemnify and hold harmless the other PARTY from and against any and all claims, demands and causes of action for damages to the person or property of third persons arising out of the comparative negligence of the indemnifying party in its performance of any of the covenants of this AGREEMENT.

**Section 7. Effective Date of Agreement:** This AGREEMENT shall become effective upon execution by all PARTIES.

**Section 8. Duration of Agreement:** This AGREEMENT shall be for a term of two years, unless or until terminated by any of the PARTIES as provided herein.

**Section 9. Termination.** This AGREEMENT may be terminated by any of the PARTIES upon 90 days' notice to the other PARTIES. Such termination shall not affect any rights of reimbursement under this AGREEMENT or responsibilities assumed by another of the PARTIES pursuant to this AGREEMENT.

**Section 10. Notices:** Any notices or other communications to be given hereunder shall be in writing, and sent by U.S. postage or by hand delivery, by express courier service, by facsimile with proof of transmission or electronic mail to the PARTIES at the addresses stated below or such other address as a PARTY may designate in writing to the other PARTY from time to time:

**NRD:** John Winkler, General Manager  
Papio-Missouri River Natural Resources District  
8901 S. 154<sup>th</sup> Street  
Omaha, NE 68138-6222

With a copy to: Husch Blackwell LLP  
13330 California Street Suite 200  
Omaha, NE 68154  
Attn: Steve Grasz

**Waterloo Rural Fire District:** PO Box 273  
Waterloo, NE 68069

**Section 11. Additional Terms and Conditions.**

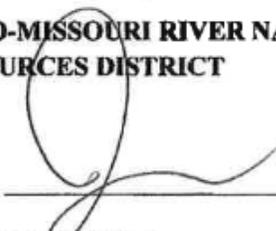
(a) This Memorandum is for the sole benefit of the PARTIES and will be governed and construed in accordance with the laws of the State of Nebraska.

(b) This AGREEMENT may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument. Email/scan copies or facsimile copies of this AGREEMENT will be deemed original copies.

IN WITNESS WHEREOF, the PARTIES have executed this AGREEMENT as of the Effective Date.

THIS AGREEMENT is executed by the Papio-Missouri River Natural Resources District on this 8 day of November, 2017 pursuant to resolution duly adopted by its Board of Directors.

**PAPIO-MISSOURI RIVER NATURAL RESOURCES DISTRICT**

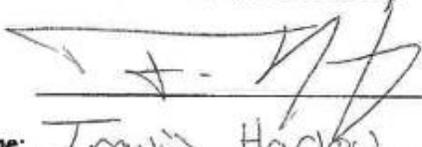
By: 

Name: John Winkler

Title: General Manager

THIS AGREEMENT is executed by the Waterloo Rural Fire District on this 3 day of Dec, 2017 pursuant to resolution duly adopted by its Board of Directors.

WATERLOO RURAL FIRE DISTRICT

By: 

Name: Travis Harlow

Title: Fire Chief