

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is entered into this ____ day of _____, 2025 (the “Effective Date”), by and between **BRYAN COUNTY, GEORGIA**, a political subdivision of the State of Georgia (“Bryan”) and **EFFINGHAM COUNTY, GEORGIA**, a political subdivision of the State of Georgia (“Effingham”).

WHEREAS, Effingham, Bryan, and the City of Savannah (collectively, hereinafter the “Coastal Georgia Regional Water Partnership” or “CGRWP”) are working collaboratively on efforts to develop a plan for, and construct, a regional surface water supply and transmission system to meet the increasing water supply demands for residential, commercial, and industrial customers in coastal Georgia.

WHEREAS, both Bryan and Effingham (the “Parties”) are committed to construct respective portions of the CGRWP’s regional surface water supply project (the “Surface Water Project”) based on funding provided by the State of Georgia as part of the State’s Amended Fiscal Year 2025 and Fiscal Year 2026 budget (the “Funding”).

WHEREAS, Bryan has acquired certain interests in land located in unincorporated Effingham County for the purposes of constructing regional sewer improvements, commonly known as the I-16 Regional Sewer Improvements Project (the “Sewer Project”).

WHEREAS, Bryan has acquired certain permanent and temporary construction easement rights from the property owners of Effingham Tax Parcels: 030-40-010, 030-04-011, 030-40-012, 030-50-001, 030-05A-072, 032-90-041B00, 032-9D-001, 0331-0003, 0331-0004, 0331-0005, 0331-0013, 0331-0014, and 030-05-A072 for the Sewer Project (collectively, “Bryan’s Effingham County Easement Area”).

WHEREAS, the Parties previously executed the Permanent Water and Sewer and Access Easement Agreement on December 6, 2023, and recorded August 9, 2024, at Deed Book 2924, Page 886, Effingham County real estate records (the “Permanent Water and Sewer Easement”), for permanent sewer and temporary construction easement rights over that certain Effingham Tax Parcel currently owned by Effingham County Board of Commissioners: 0331-0022 (the “Effingham BOC Parcel”).

WHEREAS, Effingham has acquired, and is acquiring, certain interest in land located in unincorporated Effingham County for the purposes of constructing Effingham’s portion of the Surface Water Project, and desires to obtain certain rights to use portions of Bryan’s Effingham County Easement Area for the Sewer Project to co-locate and construct a segment of the Surface Water Project within the same footprint.

WHEREAS, both the Sewer Project and Surface Water Project are of immense public import and concern, and further and protect the public health, safety, and welfare.

WHEREAS, both the Sewer Project and Surface Water Project have certain deadlines and other time constraints that make it critically important for Bryan and Effingham to continue

construction of the Sewer Project and Surface Water Project without unnecessary delays and impairments.

WHEREAS, the Sewer Project will be owned, maintained, managed, repaired, and all other incidentals related to the same, by Bryan.

WHEREAS, Bryan's portion of the Surface Water Project will be located completely within the political boundaries of Bryan County, and will be owned, maintained, managed, repaired, and all other incidentals related to the same, by Bryan.

WHEREAS, Effingham's portion of the Surface Water Project will be partly located within the political boundaries of Effingham County and partly located within the political boundaries of Bryan County (specifically limited to an exclusive easement on Bryan County Tax Parcel No. 036-001 up to a mutually agreed up service delivery point approximately 1,000 linear feet west of the Ogeechee River as depicted on **Exhibit "A"** - Effingham's Portion of the Surface Water Project ("Effingham's Bryan County Water Easement Area")), and will be owned, maintained, managed, repaired, and all other incidentals related to the same, by Effingham.

WHEREAS, Bryan and Effingham desire to enter into a definitive intergovernmental agreement that sets forth the expectations and obligations of both Parties in connection with the ownership, maintenance, management, and repair of the Surface Water Project within Bryan County's existing exclusive easements within the unincorporated areas of Effingham and Bryan County.

WHEREAS, Bryan and Effingham have unresolved and outstanding legal claims related to certain interests in the Effingham BOC Parcel, identified as Effingham County Tax Parcel No. 0331-0022, owned by the Effingham County Board of Commissioners, which is the subject of a filed PETITION FOR CONDEMNATION AND DECLARATION OF TAKING, filed by Bryan on June 7, 2023 (the "Petition for Condemnation"), and a subsequent PETITION TO SET ASIDE, DISMISS, VACATE AND ANNUL CONDEMNER'S PETITION FOR CONDEMNATION IN REM AND DECLARATION OF TAKING AND BRIEF IN SUPPORT THEREOF, filed by Effingham on June 30, 2023 (the "Petition to Set Aside"), all in the Superior Court of Effingham County, Civil Action File No. SUCV2023000077 (the "Condemnation Action").

WHEREAS, to aid in the drafting of the definitive intergovernmental agreement and the settlement of the unresolved claims associated with the Effingham BOC Parcel, Bryan and Effingham enter into this MOU for the purposes of setting forth the material terms of the definitive intergovernmental agreement and a resolution of the Condemnation Action.

NOW AND THEREFORE, in consideration of Ten Dollars (\$10.00), the mutual promises and covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, Bryan and Effingham agree as follows:

1. Intergovernmental Agreements. The Parties agree that within thirty (30) days of the execution of this MOU, the Parties shall cause their representatives to commence the preparation of a new Water Service Agreement ("Water Service Agreement"),

which shall establish (i) the terms and conditions by which Effingham shall provide available surface water for a municipal water supply to Bryan County, (ii) wholesale rates in accordance with Section 7 of this MOU, (iii) minimum capacities and a schedule for the delivery of such capacities, (iv) service areas, and (v) other terms as may be customary and necessary for water service agreements, all in accordance with Georgia Department of Natural Resources Environmental Protection Division requirements. The Parties further agree that within thirty (30) days of the execution of this MOU, the Parties shall cause their representatives to commence the preparation of an Intergovernmental Agreement (“IGA”), which shall establish (i) the ownership and responsibilities of respective portions of the Surface Water Project, (ii) the terms and conditions of Effingham’s use of Bryan’s Effingham County Easement Area (as defined above), (iii) service delivery restrictions for both Parties, and (iv) other terms as may be customary and necessary for IGAs. The Parties agree that both the Water Service Agreement and IGA shall be completed and authorized by the respective governing bodies no later than one hundred and twenty (120) days from the execution of this MOU. The following sections outline mutually acceptable key provisions and material terms that shall be included in this Water Service Agreement and IGA.

2. Ownership of Surface Water Project.

- a. Bryan and Effingham acknowledge and agree that Effingham shall own the portion of the Surface Water Project within Effingham County and the limited area of Bryan County specifically described above as Effingham’s Bryan County Water Easement Area, including all lines, pipes, pumps, buildings, improvements, equipment, and infrastructure related to Effingham’s portion of the Surface Water Project.
- b. Bryan and Effingham acknowledge and agree that Bryan shall own the portion of the Surface Water Project within Bryan County, excluding Effingham’s Bryan County Water Easement Area, and including all lines, pipes, pumps, buildings, improvements, equipment, and infrastructure related to Bryan’s portion of the Surface Water Project, as depicted on **Exhibit “B”** - Bryan’s Portion of the Surface Water Project.
- c. Bryan and Effingham agree that each shall be fully responsible for any and all costs associated with the installation, maintenance, repair, use, service, and ownership of their respective portions of the Surface Water Project.
- d. Bryan and Effingham further acknowledge and agree that neither party shall have any right, license, or interest in the other party’s portion of the Surface Water Project or to use the other party’s portion of the Surface Water Project, without the express written consent of the respective party. Furthermore, neither party shall have any right to assess fees, taxes, levies, or any other charge to the other party related to the Surface Water Project, except those

wholesale consumptive water use rates mutually agreed upon by the Parties in the IGA.

3. Service Delivery. Bryan and Effingham acknowledge and agree that Effingham shall not make available water or sewer service to users or consumers located within Bryan County, without Bryan's express written consent. Bryan and Effingham further acknowledge and agree that Bryan shall not make available water service, which has been provided to Bryan by Effingham, to users or consumers located outside of Bryan County, without Effingham's express written consent.
4. Emergency Services. Subject to any mutual aid agreement that exists now or may exist in the future between Bryan and Effingham, Bryan and Effingham acknowledge and agree that each party shall be solely responsible for receiving, dispatching, investigating, and managing the deployment of emergency services to their respective portion of the Surface Water Project, including, without limitation, fire, emergency medical, and law enforcement.
5. Use of Easements. Subject to final terms and conditions of an easement encroachment and use agreement between and mutually acceptable to the Parties, Bryan will grant and convey to Effingham (a) a 30-foot wide non-exclusive, temporary construction easement over Bryan's Effingham County Easement Area (as depicted on **Exhibit "C"**) for the purpose of installing and constructing Effingham's portion of the Surface Water Project, and access thereto, in, on, over, under, upon, across, and through Bryan's Effingham County Easement Area, together with the right of ingress and egress over Bryan's Effingham County Easement Area as may be reasonably necessary to accomplish the aforesaid purposes, and (b) a perpetual, non-exclusive easement over the same portion of Bryan's Effingham County Easement Area, no more than 30-feet in width, for the purpose of inspecting, utilizing, testing, operating, maintaining, repairing, renewing, expanding and improving Effingham's portion of the Surface Water Project, and for access thereto, in, on, over, under, upon, across, and through Bryan's Effingham County Easement Area, together with the right of ingress and egress over Bryan's Effingham County Easement Area as may be reasonably necessary to accomplish the aforesaid purposes. Effingham shall be responsible for drafting all easement amendment language necessary to correct the legal descriptions in the recorded easement agreements for Bryan's Effingham County Easement Area, and Bryan shall cooperate in good faith with the efforts to amend and shall be responsible for recording such easement amendments. The Parties agree to acknowledge Effingham's express right to use Bryan's Effingham County Easement Area, as amended, as part of the water service agreement to be executed between the parties, and as part of a separate intergovernmental agreement or other document memorializing such right which may be recorded in the public real estate records. The Parties also agree to coordinate in good faith to finalize, execute and record a permanent easement in substantially the form attached hereto as **Exhibit "D"** and incorporated herein by reference (the "Water Tower Easement") for water, sewer and access over certain real property owned by Effingham and described in

the Warranty Deed dated October 21, 2016, and recorded in Deed Book 2374, Page 882, in the records of the Clerk of Effingham County, and comprised of approximately 1 acre +/-, being described by legal metes and bounds and being more fully shown on the Minor Subdivision Well Plat, dated May 3, 2016 and prepared by Hussey Gay Bell, recorded at Plat Cabinet 0184, Page C1-D1 in the records of the Clerk of Effingham County, and further identified as Parcel 10A of the Sewer Project (the “Water Tower Parcel”), which easement was inadvertently not executed or recorded pursuant to Bryan’s acquisition of necessary property rights and interests for the Sewer Project.

6. Available Capacity. Pursuant to the draft CGRWP Memorandum of Understanding addressed to Dr. Wei Zeng, Georgia Department of Natural Resources Environment Protection Division, dated July 25, 2025 (the “CGRWP MOU”), it is the intent of Effingham County, via water supplied by the City of Savannah, to provide 2.0 million gallons per day (mgd) on an Annual Average Daily Demand (ADD) basis and 2.0 mgd on a Maximum Daily Demand (MDD) basis of surface water starting in 2028 upon completion of the initial phase of the Surface Water Project. The supply of surface water shall be increased in 2030 to 4.0 mgd ADD and 4.0 mgd MDD prior to the completion of the future phase of the Surface Water Project that includes the planned Effingham County Surface Water Treatment Plant (EC WTP). Upon completion of the EC WTP, Effingham will supply surface water to Bryan in accordance with the schedule presented in Figure 1 as follows:

Figure 1. Schedule of Surface Water Capacity to Bryan County

| Demand Basis | 2030 (post EC WTP completion) | 2035 | 2040 | 2045 | 2050 |
|--|--------------------------------------|-------------|-------------|-------------|-------------|
| ADD - provided directly by EC | 5.3 | 6.0 | 6.7 | 7.5 | 8.2 |
| ADD - regional flex supply by City of Savannah | 0.0 | 0.0 | 1.0 | 1.2 | 1.5 |
| Total ADD Supply to BC | 5.3 | 6.0 | 7.7 | 8.7 | 9.7 |
| MDD - provided directly by EC | 6.4 | 7.6 | 8.8 | 10.2 | 11.5 |
| MDD - regional flex supply by City of Savannah | 1.0 | 3.0 | 4.0 | 4.0 | 4.0 |
| Total MDD Supply to BC | 7.4 | 10.6 | 12.8 | 14.2 | 15.5 |

7. Wholesale Rate. The Parties recognize and agree that Bryan has existing agreements in place with Bulloch County, Hyundai Motor Group Metaplant America (“HMGMA”), and HL-GA Battery Company (“HL-GA”), which require Bryan to purchase and provide groundwater supplied by four (4) Floridan aquifer wells in Bulloch County at rates that are frozen for a minimum five year period, ending no sooner than January 1, 2029. The Parties recognize and agree that Bryan

has certain debt service obligations to the Georgia Environmental Finance Authority (“GEFA”) and other financial obligations used to fund infrastructure to serve HMGMA and HL-GA. Furthermore, the Parties recognize and agree that both parties will have additional future GEFA debt service obligations associated with their respective portions of the Surface Water Project, and in addition, Effingham will have operating, maintenance and depreciation expenses associated with its respective portion of the Surface Water Project. Therefore, the Parties agree to negotiate a mutually acceptable wholesale rate that shall not exceed the greater of \$3.50 (per 1,000 gallons) or 110% of the wholesale rate charged to Effingham by the City of Savannah, which rate as negotiated by Effingham and Bryan will be locked until January 1, 2029, and such rate shall not negatively impact or jeopardize Bryan’s ability to cover its existing debt service and other financial obligations. After January 1, 2029, the Parties agree, that they will negotiate in good faith to develop a mutually acceptable rate, which rate shall be subject to an escalation clause, the terms of which shall likewise be mutually acceptable to the Parties, and that will allow both Bryan and Effingham meet their respective debt service obligations based on adjusted rates that Bryan must negotiate with HMGMA and HL-GA and that will allow Effingham to its operating, maintenance and depreciation expenses. Further, regardless of actual water usage, Bryan agrees to pay Effingham calculated charges based on the negotiated wholesale rate multiplied by a “Water Minimum Purchase Quantity” to be mutually agreed upon by the parties, to mirror the water minimum purchase quantity structure under that certain Water, Wastewater, and Reclaimed Water Service Agreement dated November 14, 2023 between Bryan and HMGMA.

8. Settlement of Past Claims and Disputes. The Parties agree that by January 30, 2026, the Parties shall take the following actions:
 - a. Both Bryan and Effingham shall submit, in the form attached hereto as **Exhibit “E”** and incorporated herein by reference, a final consent order and judgment in the Condemnation Action, amending the filed Order of June 12, 2023 to update, reflect and be consistent with the easement rights and easement areas established in the Permanent Water and Sewer Agreement, and dismissing all pending claims in the Condemnation Action, including the pending Petition to Set Aside and all claims and allegations set forth therein (“**Final Consent Order and Judgment**”).
 - b. Once approved by the Court and entered in the case docket, Bryan shall record the Final Consent Order and Judgment in the real estate records of Effingham County, to further update, reflect and be consistent with the easement rights and easement areas established in the Permanent Water and Sewer Agreement.

- c. Effingham shall consent to Bryan receiving a refund for all of the money it paid in the condemnation for the Effingham BOC Parcel, as set forth in the attached form of Final Consent Order and Judgment.
 - d. Effingham shall remove the restrictions related to water infrastructure contained in that certain Intergovernmental Agreement between the Parties dated December 6, 2023 concerning Effingham County Tax Parcel Nos. 0304-10, 030-01-11, 030-40-012, 030-50-001, 030-05A-072, 032-90-041B, 0329D-001, 0331-0003, 0331-0004, 0331-0005, 0331-0013, 0331-0014, 0331-0022, 030-05-A072, and 0329-041-A01 and the Permanent Water and Sewer Easement (as defined in the Recitals to this MOU) between the Parties dated December 6, 2023, recorded in Deed Book 2924, Page 886, Effingham County, Georgia real estate records. Notwithstanding the foregoing, the restrictions contained in Section 2.3 of the Permanent Water and Sewer Easement (prohibiting the construction of permanent structures unrelated to the Sewer Infrastructure and the Water Infrastructure, each as defined therein) shall remain in effect.
9. Definitive Agreement. Bryan and Effingham acknowledge and agree that the terms of this MOU are intended to be incorporated into a definitive IGA and Water Services Agreement, which each shall be on a form mutually acceptable to Bryan and Effingham, with such acceptance not to be unreasonably conditioned, delayed, or denied, and that the terms set forth in this MOU shall not be materially modified or changed. Except with respect to the provisions of Section 8 of this MOU concerning the resolution of the Condemnation Action, which provisions shall be legally binding upon the parties, neither Bryan nor Effingham shall be bound by any of the terms and provisions contained in this MOU until such time as a fully executed IGA and Water Service Agreement are entered into between the Parties.
10. Counterparts; Electronic Signatures. This MOU may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this MOU, any signature affixed and/or transmitted by electronic means shall be considered an original signature.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

[SIGNATURE PAGE TO MEMORANDUM OF UNDERSTANDING]

REVIEWED AND APPROVED as of the Effective Date.

BRYAN

Bryan County, Georgia, a political subdivision
of the State of Georgia,

By: _____

Name: _____

Title: _____

Date: _____

EFFINGHAM

Effingham County, Georgia, a political
subdivision of the State of Georgia,

By: _____

Name: _____

Title: _____

Date: _____

Exhibit “A”
Effingham’s Portion of the Surface Water Project

[To be added by Bryan]

Exhibit “B”
Bryan’s Portion of the Surface Water Project

[To be added by Bryan]

Exhibit “C”
Temporary Construction Easement Over Bryan’s Effingham County Easement Area

[To be added by Bryan]

Exhibit “D”
Form of Water Tower Easement

[To be attached]

Exhibit “E”
Form of Final Consent Order and Judgment

[To be attached]