

Staff Report

Subject: Memorandum of Understanding with the City of Springfield for the Effluent Project

Author: Tim Callanan

Department: County Manager

Meeting Date: September 1, 2026

Item Description: Consideration to approve a Memorandum of Understanding between the Effingham County Board of Commissioners and the City of Springfield regarding the proposed construction of a pipeline to transport effluent from Springfield's existing wastewater treatment infrastructure to the County's existing wastewater treatment infrastructure.

Summary Recommendation: Staff recommends approval of the Memorandum of Understanding with the City of Springfield for the Effluent Project and authorization for the Chairman to execute the agreement.

Executive Summary/Background: The City of Springfield and Effingham County desire to establish a general understanding of their respective roles and responsibilities related to the proposed Effluent Project. Under the Memorandum of Understanding, Springfield would be responsible for the overall design and construction of the project and would apply for a Georgia Environmental Finance Authority (GEFA) loan for the estimated \$22 million project cost. Springfield currently anticipates approximately \$10 million of the GEFA loan may be forgiven. After any loan forgiveness, Springfield and the County would each be responsible for 50% of the remaining principal and interest, with the County's principal obligation capped at \$4.5 million.

The County would be responsible for obtaining permits necessary to accept effluent from Springfield. The Memorandum also addresses responsibility for certain operational, maintenance, treatment, permitting, and transportation expenses associated with the project. The MOU is non-binding and does not commit either party to expend funds; the parties intend to negotiate a separate, legally binding Intergovernmental Agreement that will establish the final financial and operational obligations of each party.

Alternatives for Commission to Consider:

1. Approve the Memorandum of Understanding with the City of Springfield for the Effluent Project and authorize the Chairman to execute the agreement.
2. Do not approve the Memorandum of Understanding.
3. Provide staff with direction.

Recommended Alternative: Staff recommends Alternative 1 – Approval of the Memorandum of Understanding with the City of Springfield for the Effluent Project and authorize the Chairman to execute the agreement.

Other Alternatives: N/A

Department Review: County Manager and County Attorney

Funding Source: The Memorandum of Understanding does not constitute a commitment of County funds or obligate either party to make payments related to the Effluent Project. Any financial obligations will be established through a separate, legally binding Intergovernmental Agreement. The MOU currently contemplates that the County's share of GEFA loan principal would not exceed \$4,500,000, plus applicable interest as described in the agreement.

Attachments: Memorandum of Understanding between the City of Springfield, Georgia and the Effingham County Board of Commissioners – Effluent Project