

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is entered into as of _____, 2026 (“Effective Date”), by and between the CITY OF SPRINGFIELD, GEORGIA (“Springfield”) and the EFFINGHAM COUNTY BOARD OF COMMISSIONERS (the “County”).

I. **Purpose.** The parties desire to set forth a general understanding of their respective roles and responsibilities with regard to the construction of pipeline to transport effluent from Springfield’s existing wastewater treatment infrastructure to the County’s existing wastewater treatment infrastructure (the “Effluent Project”). As set forth below, these roles and responsibilities will be more specifically defined in a separate binding agreement between Springfield and the County (the “Intergovernmental Agreement”).

II. **The Intergovernmental Agreement.** The parties agree to work collaboratively and in good faith to draft the Intergovernmental Agreement which will mutually bind the parties and dictate their respective duties and obligations with regard to the Effluent Project. The parties further agree that such duties and obligations should include, but not be limited to, the following:

- a. Springfield shall assume responsibility for the overall design and construction of the Effluent Project;
- b. Springfield shall apply for a loan from the Georgia Environmental Finance Authority (“GEFA”) for the total cost to design and construct the Effluent Project, which is currently estimated to be approximately TWENTY-TWO MILLION DOLLARS (\$22,000,000.00);
- c. Springfield currently anticipates that GEFA will forgive approximately TEN MILLION DOLLARS (\$10,000,000.00) of the loan amount;
- d. After deducting amounts forgiven by GEFA, if any, Springfield and the County shall each pay 50% of the remaining principal and interest of the GEFA loan; provided, that the County’s payment obligation shall not exceed \$4,500,000 for the principal amount of the loan (the “Principal Cap”);
- e. If the County’s payment obligation for the principal amount of the loan reaches the Principal Cap, the County’s payment obligation for interest shall be pro-rated based on the ratio of the Principal Cap (\$4,500,000) to the total remaining principal balance of the loan;

- f. The County shall apply for and obtain all permits required to accept effluent from Springfield via the to-be-constructed pipeline, including but not limited to all permits and permit modifications required by the Environmental Protection Division of the Georgia Department of Natural Resources.
- g. Although the County will share responsibility for the repayment of the GEFA loan, it does not currently have any customers which are anticipated to be served by the Effluent Project (“Customers”). To the extent the County does not have any Customers during the term of the GEFA loan, Springfield will be responsible for the payment of the County’s portion of the expenses associated with operation, maintenance, treatment, permitting and transportation of that portion of the County’s existing wastewater treatment infrastructure relating to reuse distribution and discharge of effluent (the “Expenses”) attributable on a pro rata basis to the Effluent Project, which may be credited against the County’s repayment obligations on the GEFA loan described above. To the extent the County contracts to provide services to Customers, the County will reduce the Expenses for which Springfield would be responsible in an amount commensurate with the operational cost for each Customer added by the County.

III. **Financial Obligations.** The parties agree that this Memorandum of Understanding does not constitute a commitment of funds or otherwise obligate either party to make any payments of any kind whatsoever related to the Effluent Project. Any activity involving the transfer of funds or payment for the design and construction of the Effluent Project will be governed by the separate, formal, and legally binding Intergovernmental Agreement.

IV. **Non-Binding.** This Memorandum of Understanding is intended solely as a statement of the current mutual intent of the parties and does not create any legally binding or enforceable obligations, express or implied.

V. **Modification.** This Memorandum of Understanding may be modified by mutual written agreement of the parties hereto.

VI. **Sole Agreement.** This Memorandum of Understanding constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings with respect to the Effluent Project.

VII. **Effective Date.** This Memorandum of Understanding shall become effective upon execution by both parties.

IN WITNESS WHEREOF, Springfield and the County have hereunto set their hands [and affixed their seals on the day and year first above written.

EFFINGHAM COUNTY BOARD OF COMMISSIONERS

By: _____
DAMON RAHN
Its: Chairman

Attest: _____
STEPHANIE JOHNSON
Its: County Clerk

THE CITY OF SPRINGFIELD, GEORGIA

By: _____
RICKY EILERMAN
Its: Mayor

Attest: _____
JENNIFER SMITH
Its: City Clerk