

MEMORANDUM

TO: Board of Commissioners
FROM: John Balparda, Director of Finance
DATE: July 23, 2025
RE: New MRF Operating Cash Flow Projections

OVERVIEW

The following analysis represents four different scenarios of 5-year projected operating cash flows for the new MRF.

Scenario 1 assumes: (*worst case*)

- CSWD will continue to outsource facility daily operations
- Volumes drop to 28K tons representing 24K tons in-district and 4K tons from the Addison County contract once the MRF is operational

Scenario 2 assumes:

- CSWD will operate the facility and work with a broker to sell the materials
- Volumes drop to 28K tons representing 24K tons in district and 4K tons from the Addison County contract once the MRF is operational

Scenario 3 assumes:

- CSWD will continue to outsource facility daily operations
- Volumes remain at the current annual average of 42K tons once the MRF is operational

Scenario 4 assumes: (*best case*)

- CSWD will operate the facility and work with a broker to sell the materials
- Volumes remain at the current annual average of 42K tons once the MRF is operational

ASSUMPTIONS

The following are the key assumptions driving the analysis:

- FY24 and FY25 actuals are used as the base years
- Volume prior to the new MRF becoming operational set at 42K tons, as in the FY26 BUD

- Annual inflation 2.8% for FY26 & FY27, 3.0% for FY28, 3.5% thereafter applied to tip fees and expenses
- ACR of \$97/ton, as in the FY26 BUD and increases by 5% once the facility is operational
- Residual rate of 5% and processed glass rate of 15% remain consistent
- Scenario 3 assumes that the contractor delivers 10K tons from out of district
- Scenario 4 assumes that CSWD would contract for 10K tons from out of district

CONCLUSION

All four scenarios indicate positive annual cash flows after debt service for all five years. However, the cash flows decline in the later years as debt service ramps up.

Readers should keep in mind that these projections are speculative in nature and are dependent upon the various assumptions holding true.

OPEN ITEMS

- Timing of build to completion and commissioning
- Timing of transition from old MRF to new
- Costs or revenues of decommissioning and selling old MRF equipment and property
- Final interest rate and amortization of the second bond issue (expected to fund August 8)
- Contractor terms and costs
- Brokerage fees for marketed materials

CSWD

New MRF Operating Cash Flow Projection FY26 - FY30

Scenario 1 - 28K Contractor

July 2025

	Actuals-->>				Forecast -->>			
	FY25				FY26			
	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Cash to/from Operations								
MRF Revenue								
Tipping Fee	984,029	954,406	883,766	942,563	1,075,923	1,045,699	959,136	1,020,961
Sale of Materials	615,598	504,747	523,080	476,374	854,922	830,906	762,124	811,249
Other Revenue	17	-	-	102	-	-	-	-
MRF Revenue	1,599,644	1,459,153	1,406,846	1,419,039	1,930,845	1,876,605	1,721,260	1,832,210
<i>Annual Total</i>				5,884,681				7,360,920
MRF Operating Costs								
Payments to Operating Contractor	791,314	767,031	727,661	776,212	896,841	871,648	799,493	851,027
Employee Compensation	-	-	51	(1,465)	445	445	445	445
Other Expenses	223,714	182,107	202,793	216,450	200,219	194,594	178,486	189,991
MRF Operating Costs	1,015,028	949,138	930,505	991,197	1,097,505	1,066,687	978,424	1,041,463
<i>Annual Total</i>				3,885,868				4,184,078
Interest Payments (initially capitalized)		195,200		195,200		376,215		467,744
Net Cash to/from Operations	584,615	314,815	476,341	232,642	833,340	433,703	742,836	323,004
Principal Payments	-	-	-	-	-	-	-	-
Transfer to/(from) reserve after principal	584,615	314,815	476,341	232,642	833,340	433,703	742,836	323,004
<i>Annual Total</i>				1,608,414				2,332,883

CSWD

New MRF Operating Cash Flow Projection FY26 -

Scenario 1 - 28K Contractor

July 2025

	Forecast -->>				Forecast -->>			
	FY27				FY28			
	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Cash to/from Operations								
MRF Revenue								
Tipping Fee	1,106,049	1,074,979	985,992	1,049,548	1,139,230	1,107,228	1,015,572	1,081,035
Sale of Materials	854,922	830,906	533,486	567,874	598,445	581,634	533,486	567,874
Other Revenue	-	-	-	-	-	-	-	-
MRF Revenue	1,960,970	1,905,885	1,519,479	1,617,423	1,737,675	1,688,862	1,549,058	1,648,909
<i>Annual Total</i>				7,003,756				6,624,505
MRF Operating Costs								
Payments to Operating Contractor	921,953	896,054	821,879	874,856	949,611	922,936	846,535	901,102
Employee Compensation	457	457	457	457	471	471	471	471
Other Expenses	205,825	200,043	183,484	195,311	212,000	206,044	188,988	201,170
MRF Operating Costs	1,128,235	1,096,554	1,005,819	1,070,624	1,162,082	1,129,451	1,035,994	1,102,743
<i>Annual Total</i>				4,301,232				4,430,269
Interest Payments (initially capitalized)		467,744		467,744		467,744		458,871
Net Cash to/from Operations	832,736	341,586	513,659	79,055	575,594	91,667	513,064	87,295
Principal Payments	-	-	-	-	-	454,555	-	-
Transfer to/(from) reserve after principal	832,736	341,586	513,659	79,055	575,594	(362,888)	513,064	87,295
<i>Annual Total</i>				1,767,036				813,066

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New MRF Operating Cash Flow Projection FY26 -

Scenario 1 - 28K Contractor

July 2025

	Forecast -->>				Forecast -->>			
	FY29				FY30			
	Sep-28	Dec-28	Mar-29	Jun-29	Sep-29	Dec-29	Mar-30	Jun-30
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Cash to/from Operations								
MRF Revenue								
Tipping Fee	1,179,104	1,145,981	1,051,117	1,118,871	1,220,372	1,186,090	1,087,906	1,158,031
Sale of Materials	598,445	581,634	533,486	567,874	598,445	581,634	533,486	567,874
Other Revenue	-	-	-	-	-	-	-	-
MRF Revenue	1,777,549	1,727,615	1,584,603	1,686,745	1,818,817	1,767,725	1,621,393	1,725,906
<i>Annual Total</i>				6,776,512				6,933,840
MRF Operating Costs								
Payments to Operating Contractor	982,848	955,238	876,164	932,640	1,017,247	988,672	906,830	965,283
Employee Compensation	487	487	487	487	504	504	504	504
Other Expenses	219,420	213,256	195,603	208,211	227,099	220,720	202,449	215,498
MRF Operating Costs	1,202,755	1,168,982	1,072,254	1,141,339	1,244,851	1,209,896	1,109,783	1,181,285
<i>Annual Total</i>				4,585,329				4,745,815
Interest Payments (initially capitalized)		458,871		449,998		449,998		433,129
Net Cash to/from Operations	574,794	99,763	512,350	95,408	573,966	107,830	511,610	111,491
Principal Payments	-	454,555	-	-	-	806,621	-	-
Transfer to/(from) reserve after principal	574,794	(354,792)	512,350	95,408	573,966	(698,791)	511,610	111,491
<i>Annual Total</i>				827,760				498,276

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New MRF Operating Cash Flow Projection FY26 - FY30

Scenario 2 - 28K No Contractor

July 2025

	Actuals-->>				Forecast -->>			
	FY25				FY26			
	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Cash to/from Operations								
MRF Revenue								
Tipping Fee	984,029	954,406	883,766	942,563	1,075,923	1,045,699	959,136	1,020,961
Sale of Materials	615,598	504,747	523,080	476,374	854,922	830,906	762,124	811,249
Other Revenue	17	-	-	102	-	-	-	-
MRF Revenue	1,599,644	1,459,153	1,406,846	1,419,039	1,930,845	1,876,605	1,721,260	1,832,210
<i>Annual Total</i>				5,884,681				7,360,920
MRF Operating Costs								
Payments to Operating Contractor	791,314	767,031	727,661	776,212	896,841	871,648	799,493	851,027
Employee Compensation	-	-	51	(1,465)	445	445	445	445
Other Expenses	223,714	182,107	202,793	216,450	200,219	194,594	178,486	189,991
MRF Operating Costs	1,015,028	949,138	930,505	991,197	1,097,505	1,066,687	978,424	1,041,463
<i>Annual Total</i>				3,885,868				4,184,078
Interest Payments (initially capitalized)		195,200		195,200		376,215		467,744
Net Cash to/from Operations	584,615	314,815	476,341	232,642	833,340	433,703	742,836	323,004
Principal Payments	-	-	-	-	-	-	-	-
Transfer to/(from) reserve after principal	584,615	314,815	476,341	232,642	833,340	433,703	742,836	323,004
<i>Annual Total</i>				1,608,414				2,332,883

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New MRF Operating Cash Flow Projection FY26 -

Scenario 2 - 28K No Contractor

July 2025

	Forecast -->>				Forecast -->>			
	FY27				FY28			
	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Cash to/from Operations								
MRF Revenue								
Tipping Fee	1,106,049	1,074,979	985,992	1,049,548	1,139,230	1,107,228	1,015,572	1,081,035
Sale of Materials	854,922	830,906	533,486	567,874	598,445	581,634	533,486	567,874
Other Revenue	-	-	-	-	-	-	-	-
MRF Revenue	1,960,970	1,905,885	1,519,479	1,617,423	1,737,675	1,688,862	1,549,058	1,648,909
<i>Annual Total</i>				7,003,756				6,624,505
MRF Operating Costs								
Payments to Operating Contractor	921,953	896,054	616,409	437,428	237,403	-	-	-
Employee Compensation	457	457	155,715	331,505	525,046	680,395	624,072	664,299
Other Expenses	205,825	200,043	183,484	195,311	212,000	206,044	188,988	201,170
MRF Operating Costs	1,128,235	1,096,554	955,608	964,243	974,448	886,440	813,060	865,469
<i>Annual Total</i>				4,144,640				3,539,418
Interest Payments (initially capitalized)		467,744		467,744		467,744		458,871
Net Cash to/from Operations	832,736	341,586	563,871	185,435	763,227	334,679	735,998	324,569
Principal Payments	-	-	-	-	-	454,555	-	-
Transfer to/(from) reserve after principal	832,736	341,586	563,871	185,435	763,227	(119,876)	735,998	324,569
<i>Annual Total</i>				1,923,628				1,703,918

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New MRF Operating Cash Flow Projection FY26 -

Scenario 2 - 28K No Contractor

July 2025

	Forecast -->>				Forecast -->>			
	FY29				FY30			
	Sep-28	Dec-28	Mar-29	Jun-29	Sep-29	Dec-29	Mar-30	Jun-30
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Cash to/from Operations								
MRF Revenue								
Tipping Fee	1,179,104	1,145,981	1,051,117	1,118,871	1,220,372	1,186,090	1,087,906	1,158,031
Sale of Materials	598,445	581,634	533,486	567,874	598,445	581,634	533,486	567,874
Other Revenue	-	-	-	-	-	-	-	-
MRF Revenue	1,777,549	1,727,615	1,584,603	1,686,745	1,818,817	1,767,725	1,621,393	1,725,906
<i>Annual Total</i>				6,776,512				6,933,840
MRF Operating Costs								
Payments to Operating Contractor	-	-	-	-	-	-	-	-
Employee Compensation	703,459	704,209	645,915	687,550	728,080	728,857	668,522	711,614
Other Expenses	219,420	213,256	195,603	208,211	227,099	220,720	202,449	215,498
MRF Operating Costs	922,879	917,465	841,517	895,761	955,180	949,576	870,971	927,112
<i>Annual Total</i>				3,577,622				3,702,839
Interest Payments (initially capitalized)		458,871		449,998		449,998		433,129
Net Cash to/from Operations	854,670	351,279	743,086	340,986	863,638	368,150	750,422	365,664
Principal Payments	-	454,555	-	-	-	806,621	-	-
Transfer to/(from) reserve after principal	854,670	(103,276)	743,086	340,986	863,638	(438,471)	750,422	365,664
<i>Annual Total</i>				1,835,466				1,541,252

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New MRF Operating Cash Flow Projection FY26 - FY30

Scenario 3 - 42K Contractor

July 2025

	Actuals-->>				Forecast -->>			
	FY25				FY26			
	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Cash to/from Operations								
MRF Revenue								
Tipping Fee	984,029	954,406	883,766	942,563	1,075,923	1,045,699	959,136	1,020,961
Sale of Materials	615,598	504,747	523,080	476,374	854,922	830,906	762,124	811,249
Other Revenue	17	-	-	102	-	-	-	-
MRF Revenue	1,599,644	1,459,153	1,406,846	1,419,039	1,930,845	1,876,605	1,721,260	1,832,210
<i>Annual Total</i>				5,884,681				7,360,920
MRF Operating Costs								
Payments to Operating Contractor	791,314	767,031	727,661	776,212	896,841	871,648	799,493	851,027
Employee Compensation	-	-	51	(1,465)	445	445	445	445
Other Expenses	223,714	182,107	202,793	216,450	200,219	194,594	178,486	189,991
MRF Operating Costs	1,015,028	949,138	930,505	991,197	1,097,505	1,066,687	978,424	1,041,463
<i>Annual Total</i>				3,885,868				4,184,078
Interest Payments (initially capitalized)		195,200		195,200		376,215		467,744
Net Cash to/from Operations	584,615	314,815	476,341	232,642	833,340	433,703	742,836	323,004
Principal Payments	-	-	-	-	-	-	-	-
Transfer to/(from) reserve after principal	584,615	314,815	476,341	232,642	833,340	433,703	742,836	323,004
<i>Annual Total</i>				1,608,414				2,332,883

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New MRF Operating Cash Flow Projection FY26 -

Scenario 3 - 42K Contractor

July 2025

	Forecast -->>				Forecast -->>			
	FY27				FY28			
	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Cash to/from Operations								
MRF Revenue								
Tipping Fee	1,106,049	1,074,979	985,992	1,049,548	1,139,230	1,107,228	1,015,572	1,081,035
Sale of Materials	854,922	830,906	800,230	851,812	897,668	872,451	800,230	851,812
Other Revenue	-	-	-	-	-	-	-	-
MRF Revenue	1,960,970	1,905,885	1,786,222	1,901,360	2,036,898	1,979,679	1,815,802	1,932,846
<i>Annual Total</i>				7,554,437				7,765,225
MRF Operating Costs								
Payments to Operating Contractor	921,953	896,054	821,879	874,856	949,611	922,936	846,535	901,102
Employee Compensation	457	457	457	457	471	471	471	471
Other Expenses	205,825	200,043	183,484	195,311	212,000	206,044	188,988	201,170
MRF Operating Costs	1,128,235	1,096,554	1,005,819	1,070,624	1,162,082	1,129,451	1,035,994	1,102,743
<i>Annual Total</i>				4,301,232				4,430,269
Interest Payments (initially capitalized)		467,744		467,744		467,744		458,871
Net Cash to/from Operations	832,736	341,586	780,403	362,992	874,816	382,485	779,808	371,233
Principal Payments	-	-	-	-	-	454,555	-	-
Transfer to/(from) reserve after principal	832,736	341,586	780,403	362,992	874,816	(72,070)	779,808	371,233
<i>Annual Total</i>				2,317,717				1,953,786

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New MRF Operating Cash Flow Projection FY26 -

Scenario 3 - 42K Contractor

July 2025

	Forecast -->>				Forecast -->>			
	FY29				FY30			
	Sep-28	Dec-28	Mar-29	Jun-29	Sep-29	Dec-29	Mar-30	Jun-30
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Cash to/from Operations								
MRF Revenue								
Tipping Fee	1,179,104	1,145,981	1,051,117	1,118,871	1,220,372	1,186,090	1,087,906	1,158,031
Sale of Materials	897,668	872,451	800,230	851,812	897,668	872,451	800,230	851,812
Other Revenue	-	-	-	-	-	-	-	-
MRF Revenue	2,076,771	2,018,432	1,851,347	1,970,682	2,118,040	2,058,542	1,888,136	2,009,843
<i>Annual Total</i>				7,917,232				8,074,560
MRF Operating Costs								
Payments to Operating Contractor	982,848	955,238	876,164	932,640	1,017,247	988,672	906,830	965,283
Employee Compensation	487	487	487	487	504	504	504	504
Other Expenses	219,420	213,256	195,603	208,211	227,099	220,720	202,449	215,498
MRF Operating Costs	1,202,755	1,168,982	1,072,254	1,141,339	1,244,851	1,209,896	1,109,783	1,181,285
<i>Annual Total</i>				4,585,329				4,745,815
Interest Payments (initially capitalized)		458,871		449,998		449,998		433,129
Net Cash to/from Operations	874,016	390,580	779,093	379,345	873,189	398,647	778,353	395,428
Principal Payments	-	454,555	-	-	-	806,621	-	-
Transfer to/(from) reserve after principal	874,016	(63,975)	779,093	379,345	873,189	(407,974)	778,353	395,428
<i>Annual Total</i>				1,968,480				1,638,996

CSWD

New MRF Operating Cash Flow Projection FY26 - FY30

Scenario 4 - 42K No Contractor

July 2025

	Actuals-->>				Forecast -->>			
	FY25				FY26			
	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Cash to/from Operations								
MRF Revenue								
Tipping Fee	984,029	954,406	883,766	942,563	1,075,923	1,045,699	959,136	1,020,961
Sale of Materials	615,598	504,747	523,080	476,374	854,922	830,906	762,124	811,249
Other Revenue	17	-	-	102	-	-	-	-
MRF Revenue	1,599,644	1,459,153	1,406,846	1,419,039	1,930,845	1,876,605	1,721,260	1,832,210
<i>Annual Total</i>				5,884,681				7,360,920
MRF Operating Costs								
Payments to Operating Contractor	791,314	767,031	727,661	776,212	896,841	871,648	799,493	851,027
Employee Compensation	-	-	51	(1,465)	445	445	445	445
Other Expenses	223,714	182,107	202,793	216,450	200,219	194,594	178,486	189,991
MRF Operating Costs	1,015,028	949,138	930,505	991,197	1,097,505	1,066,687	978,424	1,041,463
<i>Annual Total</i>				3,885,868				4,184,078
Interest Payments (initially capitalized)		195,200		195,200		376,215		467,744
Net Cash to/from Operations	584,615	314,815	476,341	232,642	833,340	433,703	742,836	323,004
Principal Payments	-	-	-	-	-	-	-	-
Transfer to/(from) reserve after principal	584,615	314,815	476,341	232,642	833,340	433,703	742,836	323,004
<i>Annual Total</i>				1,608,414				2,332,883

CSWD

New MRF Operating Cash Flow Projection FY26

Scenario 4 - 42K No Contractor

July 2025

	Forecast -->>				Forecast -->>			
	FY27				FY28			
	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Cash to/from Operations								
MRF Revenue								
Tipping Fee	1,106,049	1,074,979	985,992	1,049,548	1,139,230	1,107,228	1,015,572	1,081,035
Sale of Materials	854,922	830,906	800,230	851,812	897,668	872,451	800,230	851,812
Other Revenue	-	-	-	-	-	-	-	-
MRF Revenue	1,960,970	1,905,885	1,786,222	1,901,360	2,036,898	1,979,679	1,815,802	1,932,846
<i>Annual Total</i>				7,554,437				7,765,225
MRF Operating Costs								
Payments to Operating Contractor	921,953	896,054	616,409	437,428	237,403	-	-	-
Employee Compensation	457	457	205,038	436,508	691,353	680,395	624,072	664,299
Other Expenses	205,825	200,043	183,484	195,311	212,000	206,044	188,988	201,170
MRF Operating Costs	1,128,235	1,096,554	1,004,930	1,069,247	1,140,756	886,440	813,060	865,469
<i>Annual Total</i>				4,298,966				3,705,725
Interest Payments (initially capitalized)		467,744		467,744		467,744		458,871
Net Cash to/from Operations	832,736	341,586	781,292	364,369	896,142	625,496	1,002,741	608,506
Principal Payments	-	-	-	-	-	454,555	-	-
Transfer to/(from) reserve after principal	832,736	341,586	781,292	364,369	896,142	170,941	1,002,741	608,506
<i>Annual Total</i>				2,319,983				2,678,330

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New MRF Operating Cash Flow Projection FY26

Scenario 4 - 42K No Contractor

July 2025

	Forecast -->>				Forecast -->>			
	FY29				FY30			
	Sep-28	Dec-28	Mar-29	Jun-29	Sep-29	Dec-29	Mar-30	Jun-30
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Cash to/from Operations								
MRF Revenue								
Tipping Fee	1,179,104	1,145,981	1,051,117	1,118,871	1,220,372	1,186,090	1,087,906	1,158,031
Sale of Materials	897,668	872,451	800,230	851,812	897,668	872,451	800,230	851,812
Other Revenue	-	-	-	-	-	-	-	-
MRF Revenue	2,076,771	2,018,432	1,851,347	1,970,682	2,118,040	2,058,542	1,888,136	2,009,843
<i>Annual Total</i>				7,917,232				8,074,560
MRF Operating Costs								
Payments to Operating Contractor	-	-	-	-	-	-	-	-
Employee Compensation	703,459	704,209	645,915	687,550	728,080	728,857	668,522	711,614
Other Expenses	219,420	213,256	195,603	208,211	227,099	220,720	202,449	215,498
MRF Operating Costs	922,879	917,465	841,517	895,761	955,180	949,576	870,971	927,112
<i>Annual Total</i>				3,577,622				3,702,839
Interest Payments (initially capitalized)		458,871		449,998		449,998		433,129
Net Cash to/from Operations	1,153,892	642,096	1,009,829	624,923	1,162,860	658,967	1,017,165	649,601
Principal Payments	-	454,555	-	-	-	806,621	-	-
Transfer to/(from) reserve after principal	1,153,892	187,541	1,009,829	624,923	1,162,860	(147,654)	1,017,165	649,601
<i>Annual Total</i>				2,976,186				2,681,972