UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission file number 000-23211

CASELLA WASTE SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**03-0338873**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
25 Greens Hill Lane, Rutland, Vermont	**05701**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (802) 775-0325

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, $0.01 par value per share	CWST	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of each of the registrant's classes of common stock, as of April 15, 2023:

Class A common stock, $0.01 par value per share:	50,897,927
Class B common stock, $0.01 par value per share:	988,200

PART I.

ITEM 1. FINANCIAL STATEMENTS

CASELLA WASTE SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands)

	March 31, 2023	December 31, 2022
	(Unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 60,226	$ 71,152
Accounts receivable, net of allowance for credit losses of $3,590 and $3,016, respectively	95,192	100,886
Prepaid expenses	11,627	15,182
Inventory	14,175	13,472
Other current assets	6,608	6,787
Total current assets	187,828	207,479
Property, plant and equipment, net of accumulated depreciation and amortization of $1,090,951 and $1,064,756, respectively	711,440	720,550
Operating lease right-of-use assets	95,406	92,063
Goodwill	274,458	274,458
Intangible assets, net	87,712	91,783
Restricted assets	1,972	1,900
Cost method investments	10,967	10,967
Deferred income taxes	23,491	22,903
Other non-current assets	26,616	27,112
Total assets	$ 1,419,890	$ 1,449,215

The accompanying notes are an integral part of these consolidated financial statements.

CASELLA WASTE SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)
(in thousands, except for share and per share data)

	March 31, 2023 (Unaudited)	December 31, 2022
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of debt	$ 9,274	$ 8,968
Current operating lease liabilities	7,190	7,000
Accounts payable	66,640	74,203
Accrued payroll and related expenses	8,484	23,556
Accrued interest	3,442	2,858
Contract liabilities	4,146	3,742
Current accrued final capping, closure and post-closure costs	10,991	11,036
Other accrued liabilities	34,955	46,237
Total current liabilities	145,122	177,600
Debt, less current portion	577,567	585,015
Operating lease liabilities, less current portion	62,155	57,345
Accrued final capping, closure and post-closure costs, less current portion	105,165	102,642
Deferred income taxes	438	437
Other long-term liabilities	27,788	28,276
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Class A common stock, $0.01 par value per share; 100,000,000 shares authorized; 50,898,000 and 50,704,000 shares issued and outstanding, respectively	509	507
Class B common stock, $0.01 par value per share; 1,000,000 shares authorized; 988,000 shares issued and outstanding, respectively; 10 votes per share	10	10
Additional paid-in capital	663,735	661,761
Accumulated deficit	(168,372)	(171,920)
Accumulated other comprehensive income, net of tax	5,773	7,542
Total stockholders' equity	501,655	497,900
Total liabilities and stockholders' equity	$ 1,419,890	$ 1,449,215

The accompanying notes are an integral part of these consolidated financial statements.

CASELLA WASTE SYSTEMS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except for per share data)

	Three Months Ended March 31,	
	2023	**2022**
Revenues	$ 262,595	$ 234,027
Operating expenses:		
Cost of operations	180,243	162,455
General and administration	35,679	29,793
Depreciation and amortization	33,435	29,428
Expense from acquisition activities	2,863	2,043
Southbridge Landfill closure charge	110	140
	252,330	223,859
Operating income	10,265	10,168
Other expense (income):		
Interest income	(684)	(40)
Interest expense	6,959	5,204
Other income	(349)	(144)
Other expense, net	5,926	5,020
Income before income taxes	4,339	5,148
Provision for income taxes	791	958
Net income	$ 3,548	$ 4,190
Basic earnings per share attributable to common stockholders:		
Weighted average common shares outstanding	51,770	51,490
Basic earnings per common share	$ 0.07	$ 0.08
Diluted earnings per share attributable to common stockholders:		
Weighted average common shares outstanding	51,869	51,657
Diluted earnings per common share	$ 0.07	$ 0.08

The accompanying notes are an integral part of these consolidated financial statements.

CASELLA WASTE SYSTEMS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME
(in thousands)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Net income	$ 3,548	$ 4,190
Other comprehensive income (loss), before tax:		
Hedging activity:		
Interest rate swap settlements	1,055	(1,163)
Interest rate swap amounts reclassified into interest expense	(1,106)	1,128
Unrealized (loss) gain resulting from changes in fair value of derivative instruments	(2,391)	8,381
Other comprehensive (loss) income, before tax	(2,442)	8,346
Income tax (benefit) provision related to items of other comprehensive (loss) income	(673)	2,203
Other comprehensive (loss) income, net of tax	(1,769)	6,143
Comprehensive income	$ 1,779	$ 10,333

The accompanying notes are an integral part of these consolidated financial statements.

CASELLA WASTE SYSTEMS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF
STOCKHOLDERS' EQUITY
(in thousands)

		Casella Waste Systems, Inc. Stockholders' Equity						
		Class A Common Stock		Class B Common Stock				
	Total	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income
Balance, December 31, 2022	$ 497,900	50,704	$ 507	988	$ 10	$ 661,761	$ (171,920)	$ 7,542
Issuances of Class A common stock	—	194	2	—	—	(2)	—	—
Stock-based compensation	1,976	—	—	—	—	1,976	—	—
Comprehensive income:								
Net income	3,548	—	—	—	—	—	3,548	—
Other comprehensive loss:								
Hedging activity	(1,769)	—	—	—	—	—	—	(1,769)
Balance, March 31, 2023	$ 501,655	50,898	$ 509	988	$ 10	$ 663,735	$ (168,372)	$ 5,773

		Casella Waste Systems, Inc. Stockholders' Equity						
		Class A Common Stock		Class B Common Stock				
	Total	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)
Balance, December 31, 2021	$ 422,457	50,423	$ 504	988	$ 10	$ 652,045	$ (224,999)	$ (5,103)
Issuances of Class A common stock	19	227	2	—	—	17	—	—
Stock-based compensation	2,241	—	—	—	—	2,241	—	—
Comprehensive income:								
Net income	4,190	—	—	—	—	—	4,190	—
Other comprehensive income:								
Hedging activity	6,143	—	—	—	—	—	—	6,143
Balance, March 31, 2022	$ 435,050	50,650	$ 506	988	$ 10	$ 654,303	$ (220,809)	$ 1,040

The accompanying notes are an integral part of these consolidated financial statements.

CASELLA WASTE SYSTEMS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Three Months Ended March 31,	
	2023	2022
Cash Flows from Operating Activities:		
Net income	$ 3,548	$ 4,190
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	33,435	29,428
Interest accretion on landfill and environmental remediation liabilities	2,510	1,966
Amortization of debt issuance costs	502	457
Stock-based compensation	1,976	2,241
Operating lease right-of-use assets expense	3,328	3,162
Disposition of assets, other items and charges, net	1,315	860
Deferred income taxes	86	534
Changes in assets and liabilities, net of effects of acquisitions and divestitures:		
Accounts receivable	5,694	402
Accounts payable	(7,563)	2,116
Prepaid expenses, inventories and other assets	1,701	(1,060)
Accrued expenses, contract liabilities and other liabilities	(30,453)	(19,582)
Net cash provided by operating activities	16,079	24,714
Cash Flows from Investing Activities:		
Acquisitions, net of cash acquired	(263)	(49,757)
Additions to property, plant and equipment	(17,879)	(12,910)
Proceeds from sale of property and equipment	415	145
Net cash used in investing activities	(17,727)	(62,522)
Cash Flows from Financing Activities:		
Proceeds from debt borrowings	—	25,600
Principal payments on debt	(8,996)	(9,014)
Payments of debt issuance costs	(282)	(12)
Proceeds from the exercise of share based awards	—	19
Net cash (used in) provided by financing activities	(9,278)	16,593
Net decrease in cash and cash equivalents	(10,926)	(21,215)
Cash and cash equivalents, beginning of period	71,152	33,809
Cash and cash equivalents, end of period	$ 60,226	$ 12,594
Supplemental Disclosure of Cash Flow Information:		
Cash interest payments	$ 5,873	$ 4,840
Cash income tax payments	$ 4,807	$ 221
Right-of-use assets obtained in exchange for financing lease obligations	$ 1,634	$ 1,032
Right-of-use assets obtained in exchange for operating lease obligations	$ 5,682	$ 2,710

The accompanying notes are an integral part of these consolidated financial statements.

1. BASIS OF PRESENTATION

Casella Waste Systems, Inc. (“Parent”), a Delaware corporation, and its consolidated subsidiaries (collectively, “we”, “us” or “our”), is a regional, vertically integrated solid waste services company. We provide resource management expertise and services to residential, commercial, municipal, institutional and industrial customers, primarily in the areas of solid waste collection and disposal, transfer, recycling and organics services. We provide integrated solid waste services in seven states: Vermont, New Hampshire, New York, Massachusetts, Connecticut, Maine and Pennsylvania, with our headquarters located in Rutland, Vermont. We manage our solid waste operations on a geographic basis through two regional operating segments, the Eastern and Western regions, each of which provides a full range of solid waste services. We manage our resource-renewal operations through the Resource Solutions operating segment, which leverages our core competencies in materials processing, industrial recycling, organics and resource management service offerings to deliver a comprehensive solution for our larger commercial, municipal, institutional and industrial customers that have more diverse waste and recycling needs. Legal, tax, information technology, human resources, certain finance and accounting and other administrative functions are included in our Corporate Entities segment.

The accompanying unaudited consolidated financial statements, which include the accounts of the Parent and our wholly-owned subsidiaries, have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). All significant intercompany accounts and transactions are eliminated in consolidation. Investments in entities in which we do not have a controlling financial interest are accounted for under either the equity method or the cost method of accounting, as appropriate. Our significant accounting policies are more fully discussed in Item 8. "*Financial Statements and Supplementary Data*" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 ("fiscal year 2022"), which was filed with the SEC on February 17, 2023 ("2022 Form 10-K").

Preparation of our consolidated financial statements in accordance with GAAP requires management to make certain estimates and assumptions. These estimates and assumptions affect the accounting for and recognition and disclosure of assets, liabilities, equity, revenues and expenses. We must make these estimates and assumptions because certain information that we use is dependent on future events, cannot be calculated with a high degree of precision given the available data, or simply cannot be readily calculated. In the opinion of management, these consolidated financial statements include all adjustments, which include normal recurring and nonrecurring adjustments, necessary for a fair presentation of the financial position, results of operations and cash flows for the periods presented. The results for the three months ended March 31, 2023 may not be indicative of the results for any other interim period or the entire fiscal year. The consolidated financial statements presented herein should be read in conjunction with our audited consolidated financial statements included in our 2022 Form 10-K.

When necessary, certain prior period amounts in the consolidated financial statements are conformed to current period presentation. This includes the presentation of certain adjustments to reconcile net income to net cash provided by operating activities, which have been reclassified within cash flows from operating activities.

Subsequent Events

We have evaluated subsequent events or transactions that have occurred after the consolidated balance sheet date of March 31, 2023 through the date of filing of the consolidated financial statements with the SEC on this Quarterly Report on Form 10-Q. Except as disclosed, no material subsequent events have occurred since March 31, 2023 through the date of this filing that would require recognition or disclosure in our consolidated financial statements.

2. ACCOUNTING CHANGES

The following table provides a brief description of a recent Accounting Standards Update ("ASU(s)") to the Accounting Standards Codification ("ASC") issued by the Financial Accounting Standards Board ("FASB") that we adopted and is deemed to have a possible material impact on our consolidated financial statements based on current account balances and activity:

Standard	Description	Effect on the Financial Statements or Other Significant Matters
Accounting standards adopted effective January 1, 2023		
ASU No. 2020-04: Reference Rate Reform (Topic 848), as amended through December 2022	Provides temporary optional guidance to ease the potential burden in applying GAAP to contract modifications and hedging relationships that reference London Inter-Bank Offered Rate ("LIBOR") or another reference rate expected to be discontinued, subject to meeting certain criteria.	We currently have interest rate derivative agreements with hedging relationships that reference LIBOR, which is going to be discontinued effective July 1, 2023. This guidance provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. Effective the three months ended March 31, 2023, we elected optional expedients under this guidance that provide temporary relief over contract modifications and hedge accounting in order to maintain hedge effectiveness upon modifying contract terms related to reference rate reform in our amended and restated credit agreement, dated as of December 22, 2021, as amended by the first amendment, dated as of February 9, 2023, and the second amendment, dated as of February 9, 2023 (the "Amended and Restated Credit Agreement") and to transition our interest rate derivative agreements from LIBOR to another reference rate prior to the planned discontinuation of LIBOR on July 1, 2023. See Note 7, Debt. This guidance will be in effect through December 31, 2024.

3. REVENUE RECOGNITION

Revenues associated with our solid waste operations are derived mainly from solid waste collection and disposal services, including landfill, transfer station and transportation services, landfill gas-to-energy services and processing services. Revenues associated with our resource-renewal operations are derived from processing services, and non-processing services, which we now refer to as our National Accounts business.

The following tables set forth revenues disaggregated by service line and timing of revenue recognition by operating segment for each of the three months ended March 31, 2023 and 2022:

Three Months Ended March 31, 2023

	Eastern	Western	Resource Solutions	Total Revenues
Collection	$ 61,108	$ 78,869	$ —	$ 139,977
Landfill	6,301	16,460	—	22,761
Transfer station	13,981	9,961	—	23,942
Transportation	1,183	3,580	—	4,763
Landfill gas-to-energy	213	1,711	—	1,924
Processing	1,123	453	22,806	24,382
National Accounts	—	—	44,846	44,846
Total revenues	$ 83,909	$ 111,034	$ 67,652	$ 262,595
Transferred at a point-in-time	$ 119	$ 731	$ 6,438	$ 7,288
Transferred over time	83,790	110,303	61,214	255,307
Total revenues	$ 83,909	$ 111,034	$ 67,652	$ 262,595

Three Months Ended March 31, 2022

	Eastern	Western	Resource Solutions	Total Revenues
Collection	$ 51,497	$ 68,034	$ —	$ 119,531
Landfill	5,376	14,190	—	19,566
Transfer station	11,613	7,844	—	19,457
Transportation	1,472	2,658	—	4,130
Landfill gas-to-energy	274	2,380	—	2,654
Processing	1,087	733	27,395	29,215
National Accounts	—	—	39,474	39,474
Total revenues	$ 71,319	$ 95,839	$ 66,869	$ 234,027
Transferred at a point-in-time	$ 120	$ 511	$ 15,086	$ 15,717
Transferred over time	71,199	95,328	51,783	218,310
Total revenues	$ 71,319	$ 95,839	$ 66,869	$ 234,027

Payments to customers that are not in exchange for a distinct good or service are recorded as a reduction of revenues. Rebates to certain customers associated with payments for recycled or organic materials that are received and subsequently processed and sold to other third-parties amounted to $6,629 in the three months ended March 31, 2023 and $3,794 in the three months ended March 31, 2022. Rebates are generally recorded as a reduction of revenues upon the sale of such materials, or upon receipt of the recycled materials at our facilities. We did not record any revenues in the three months ended March 31, 2023 or March 31, 2022 from performance obligations satisfied in previous periods.

Contract receivables, which are included in Accounts receivable, net are recorded when billed or when related revenue is earned, if earlier, and represent claims against third-parties that will be settled in cash. Accounts receivable, net includes gross receivables from contracts of $97,340 and $102,234 as of March 31, 2023 and December 31, 2022, respectively. Certain customers are billed in advance and, accordingly, recognition of the related revenues is deferred as a contract liability until the services are provided and control transferred to the customer. We recognized contract liabilities of $4,146 and $3,742 as of March 31, 2023 and December 31, 2022, respectively. Due to the short term nature of advanced billings, substantially all of the deferred revenue recognized as a contract liability as of December 31, 2022 and December 31, 2021 was recognized as revenue during the three months ended March 31, 2023 and March 31, 2022, respectively, when the services were performed.

4. INTANGIBLE ASSETS

Summaries of intangible assets by type follows:

	Covenants Not-to-Compete	Customer Relationships	Trade Names	Total
Balance, March 31, 2023				
Intangible assets	$ 31,201	$ 127,179	$ 8,405	$ 166,785
Less accumulated amortization	(24,593)	(49,172)	(5,308)	(79,073)
	$ 6,608	$ 78,007	$ 3,097	$ 87,712

	Covenants Not-to-Compete	Customer Relationships	Trade Names	Total
Balance, December 31, 2022				
Intangible assets	$ 31,201	$ 127,179	$ 8,405	$ 166,785
Less accumulated amortization	(24,129)	(46,162)	(4,711)	(75,002)
	$ 7,072	$ 81,017	$ 3,694	$ 91,783

Intangible amortization expense was $4,071 during the three months ended March 31, 2023 and $3,789 during the three months ended March 31, 2022.

A summary of intangible amortization expense estimated for each of the next five fiscal years following fiscal year 2022 and thereafter is estimated as follows:

Estimated Future Amortization Expense as of March 31, 2023	
Fiscal year ending December 31, 2023	$ 12,071
Fiscal year ending December 31, 2024	$ 15,471
Fiscal year ending December 31, 2025	$ 14,429
Fiscal year ending December 31, 2026	$ 12,745
Fiscal year ending December 31, 2027	$ 11,266
Thereafter	$ 21,730

5. OTHER ACCRUED LIABILITIES

A summary of other accrued liabilities, classified as current liabilities follows:

	March 31, 2023	December 31, 2022
Self insurance reserve - current portion	$ 7,691	$ 7,422
Accrued capital expenditures	4,000	10,842
Other accrued liabilities	23,264	27,973
Total	$ 34,955	$ 46,237

6. ACCRUED FINAL CAPPING, CLOSURE AND POST CLOSURE

Accrued final capping, closure and post-closure costs include the current and non-current portion of costs associated with obligations for final capping, closure and post-closure of our landfills. We estimate our future final capping, closure and post-closure costs in order to determine the final capping, closure and post-closure expense per ton of waste placed into each landfill. The anticipated time frame for paying these costs varies based on the remaining useful life of each landfill as well as the duration of the post-closure monitoring period.

A summary of the changes to accrued final capping, closure and post-closure liabilities follows:

	Three Months Ended March 31,	
	2023	**2022**
Beginning balance	$ 113,678	$ 86,914
Obligations incurred	1,247	966
Accretion expense	2,410	1,873
Obligations settled (1)	(1,179)	(926)
Ending balance	$ 116,156	$ 88,827

(1) May include amounts that are being processed through accounts payable as a part of our disbursements cycle.

7. DEBT

A summary of debt is as follows:

	March 31, 2023	December 31, 2022
Senior Secured Credit Facility:		
Term loan A facility ("Term Loan Facility") due December 2026; bearing interest at term secured overnight financing rate ("Term SOFR") plus 1.135%	$ 350,000	$ 350,000
Revolving credit facility ("Revolving Credit Facility") due December 2026; bearing interest at Term SOFR plus 1.135%	—	6,000
Tax-Exempt Bonds:		
New York State Environmental Facilities Corporation Solid Waste Disposal Revenue Bonds Series 2014 ("New York Bonds 2014R-1") due December 2044 - fixed rate interest period through 2029; bearing interest at 2.875%	25,000	25,000
New York State Environmental Facilities Corporation Solid Waste Disposal Revenue Bonds Series 2014R-2 ("New York Bonds 2014R-2") due December 2044 - fixed rate interest period through 2026; bearing interest at 3.125%	15,000	15,000
New York State Environmental Facilities Corporation Solid Waste Disposal Revenue Bonds Series 2020 ("New York Bonds 2020") due September 2050 - fixed rate interest period through 2025; bearing interest at 2.750%	40,000	40,000
Finance Authority of Maine Solid Waste Disposal Revenue Bonds Series 2005R-3 ("FAME Bonds 2005R-3") due January 2025 - fixed rate interest period through 2025; bearing interest at 5.25%	25,000	25,000
Finance Authority of Maine Solid Waste Disposal Revenue Bonds Series 2015R-1 ("FAME Bonds 2015R-1") due August 2035 - fixed rate interest period through 2025; bearing interest at 5.125%	15,000	15,000
Finance Authority of Maine Solid Waste Disposal Revenue Bonds Series 2015R-2 ("FAME Bonds 2015R-2") due August 2035 - fixed rate interest period through 2025; bearing interest at 4.375%	15,000	15,000
Vermont Economic Development Authority Solid Waste Disposal Long-Term Revenue Bonds Series 2013 ("Vermont Bonds 2013") due April 2036 - fixed rate interest period through 2028; bearing interest at 4.625%	16,000	16,000
Vermont Economic Development Authority Solid Waste Disposal Long-Term Revenue Bonds Series 2022A-1 ("Vermont Bonds 2022A-1") due June 2052 - fixed rate interest period through 2027; bearing interest at 5.00%	35,000	35,000
Business Finance Authority of the State of New Hampshire Solid Waste Disposal Revenue Bonds Series 2013 ("New Hampshire Bonds") due April 2029 - fixed rate interest period through 2029; bearing interest at 2.95%	11,000	11,000
Other:		
Finance leases maturing through December 2107; bearing interest at a weighted average of 3.7%	48,800	49,813
Notes payable maturing through August 2024; bearing interest up to 4.0%	316	664
Principal amount of debt	596,116	603,477
Less—unamortized debt issuance costs (1)	9,275	9,494
Debt less unamortized debt issuance costs	586,841	593,983
Less—current maturities of debt	9,274	8,968
	$ 577,567	$ 585,015

(1) A summary of unamortized debt issuance costs by debt instrument follows:

	March 31, 2023	December 31, 2022
Revolving Credit Facility and Term Loan Facility (collectively, the "Credit Facility")	$ 4,692	$ 4,716
New York Bonds 2014R-1	849	866
New York Bonds 2014R-2	192	207
New York Bonds 2020	1,061	1,106
FAME Bonds 2005R-3	155	176
FAME Bonds 2015R-1	326	344
FAME Bonds 2015R-2	175	193
Vermont Bonds 2013	365	378
Vermont Bonds 2022A-1	1,111	1,144
New Hampshire Bonds	349	364
	$ 9,275	$ 9,494

Financing Activities

In April 2023, we entered into a commitment letter with lenders to obtain secured bridge financing in an amount of up to $375,000, less the amount of any term loan A ("Term Loan A"), and received the commitment of certain commitment parties to fund up to $261,500 of a maximum of $400,000 Term Loan A, which may be a delayed draw, under our Amended and Restated Credit Agreement to fund, in conjunction with cash and cash equivalents and borrowings from our Revolving Credit Facility the purchase of the equity interests of four wholly owned subsidiaries of GFL Environmental ("GFL Subsidiaries"). On April 21, 2023, we entered into an equity purchase agreement with GFL Environmental Inc. to purchase 100% of the equity interests of the GFL Subsidiaries that operate solid waste collection, transfer and recycling operations in Pennsylvania, Maryland, and Delaware for approximately $525,000 in cash. The proposed acquisition includes nine hauling operations, one transfer station, and one material recovery facility. The acquisition is expected to close by the third quarter of the fiscal year ending December 31, 2023 ("fiscal year 2023"), subject to customary closing conditions, including regulatory approvals.

Credit Facility

As of March 31, 2023, we are party to the Amended and Restated Credit Agreement, which provides for a $350,000 aggregate principal amount Term Loan Facility and a $300,000 Revolving Credit Facility, with a $75,000 sublimit for letters of credit. We have the right to request, at our discretion, an increase in the amount of loans under the Credit Facility by an aggregate amount of $125,000, subject to the terms and conditions set forth in the Amended and Restated Credit Agreement. The Credit Facility has a 5-year term that matures in December 2026. On February 9, 2023, we entered into first and second amendments to the Amended and Restated Credit Agreement. The first amendment provides, commencing in the fiscal year ending December 31, 2024, the interest rate margin applied for drawn and undrawn amounts under the Amended and Restated Credit Agreement shall be separately adjusted based on our achievement of certain thresholds and targets on two sustainability related key performance indicator metrics during fiscal year 2023: (i) metric tons of solid waste materials reduced, reused or recycled through our direct operations or with third-parties in collaboration with customers; and (ii) our total recordable incident rate. The second amendment provides that loans under the Amended and Restated Credit Agreement shall bear interest, at our election, at Term SOFR, including a secured overnight financing rate adjustment of 10 basis points, or at a base rate, in each case, plus an applicable interest rate margin based on consolidated net leverage ratio, and plus or minus any sustainability rate adjustment. Unless loans are made as or converted to base rate loans, loans under the Amended and Restated Credit Agreement will bear interest at Term SOFR, including a secured overnight financing rate adjustment of 10 basis points, plus a margin based upon our consolidated net leverage ratio in the range of 1.125% to 2.125% per annum, plus a sustainability adjustment of up to positive or negative 4.0 basis point per annum. A commitment fee will be charged on undrawn amounts at a rate of Term SOFR, plus a margin based upon our consolidated net leverage ratio in the range of 0.20% to 0.40% per annum, plus a sustainability adjustment of up to positive or negative 1.0 basis points per annum. We are also required to pay a fronting fee for each letter of credit of 0.25% per annum. Interest under the Amended and Restated Credit Agreement is subject to increase by 2.00% per annum during the continuance of a payment default and may be subject to increase by 2.00% per annum during the continuance of any other event of default. The Credit Facility is guaranteed jointly and severally, fully and unconditionally by all of our significant wholly-owned subsidiaries and secured by substantially all of our assets. As of March 31, 2023, further advances were available under the Revolving Credit Facility in the amount of $272,267. The available amount is net of outstanding irrevocable letters of credit totaling $27,733, and as of March 31, 2023 no amount had been drawn.

Cash Flow Hedges

Our strategy to reduce exposure to interest rate risk involves entering into interest rate derivative agreements to hedge against adverse movements in interest rates related to the variable rate portion of our long-term debt. We have designated these derivative instruments as highly effective cash flow hedges, and therefore the change in their fair value is recorded in stockholders' equity as a component of accumulated other comprehensive income, net of tax and included in interest expense at the same time as interest expense is affected by the hedged transactions. Differences paid or received over the life of the agreements are recorded as additions to or reductions of interest expense on the underlying debt and included in cash flows from operating activities.

As of both March 31, 2023 and December 31, 2022, our active interest rate derivative agreements had a total notional amount of $190,000. According to the terms of the agreements, we receive interest based on the 1-month LIBOR index, in some instances restricted by a 0.0% floor, and pay interest at a weighted average rate of approximately 2.20%. The agreements mature between May 2023 and June 2027.

As of March 31, 2023, we had outstanding forward starting interest rate derivative agreements with a total notional amount of $60,000, $20,000 of which we will receive interest based on the 1-month LIBOR index, restricted by a 0.0% floor, and $40,000 of which we will receive interest based on Term SOFR, restricted by a 0.0% floor. The agreements mature in May 2028 and will pay interest at a weighted average interest rate of 2.8%. As of December 31, 2022, we had a forward starting interest rate derivative agreement with a notional amount of $20,000.

A summary of the effect of cash flow hedges related to derivative instruments on the consolidated balance sheet follows:

		Fair Value	
	Balance Sheet Location	March 31, 2023	December 31, 2022
Interest rate swaps	Other current assets	$ 4,388	$ 4,345
Interest rate swaps	Other non-current assets	5,712	7,461
		$ 10,100	$ 11,806
Interest rate swaps	Other long-term liabilities	$ 736	$ —
Interest rate swaps	Accumulated other comprehensive income, net of tax	$ 9,364	$ 11,806
Interest rate swaps - tax effect	Accumulated other comprehensive income, net of tax	(3,591)	(4,264)
		$ 5,773	$ 7,542

8. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

In the ordinary course of our business and as a result of the extensive governmental regulation of the solid waste industry, we are subject to various judicial and administrative proceedings involving state and local agencies. In these proceedings, an agency may seek to impose fines or to revoke or deny renewal of an operating permit held by us. From time to time, we may also be subject to actions brought by special interest or other groups, adjacent landowners or residents in connection with the permitting and licensing of landfills and transfer stations, or allegations of environmental damage or violations of the permits and licenses pursuant to which we operate. In addition, we may be named defendants in various claims and suits pending for alleged damages to persons and property, alleged violations of certain laws and alleged liabilities arising out of matters occurring during the ordinary operation of a waste management business. The plaintiffs in some actions seek unspecified damages or injunctive relief, or both. These actions fall within various procedural stages at any point in time, and some are covered in part by insurance.

In accordance with FASB ASC 450 - Contingencies, we accrue for legal proceedings, inclusive of legal costs, when losses become probable and reasonably estimable. We have recorded an aggregate accrual of $821 relating to our outstanding legal proceedings as of March 31, 2023. As of the end of each applicable reporting period, we review each of our legal proceedings to determine whether it is probable, reasonably possible or remote that a liability has been incurred and, if it is at least reasonably possible, whether a range of loss can be reasonably estimated under the provisions of FASB ASC 450-20. In instances where we determine that a loss is probable and we can reasonably estimate a range of loss we may incur with respect to such a matter, we record an accrual for the amount within the range that constitutes our best estimate of the possible loss. If we are able to reasonably estimate a range, but no amount within the range appears to be a better estimate than any other, we record an accrual in the amount that is the low end of such range. When a loss is reasonably possible, but not probable, we will not record an accrual, but we will disclose our estimate of the possible range of loss where such estimate can be made in accordance with FASB ASC 450-20. We disclose outstanding matters that we believe could have a material adverse effect on our financial condition, results of operations or cash flows.

North Country Environmental Services Expansion Permit

On October 9, 2020, our subsidiary, North Country Environmental Services, Inc. ("NCES"), received a Type I-A Permit Modification ("Permit") from the New Hampshire Department of Environmental Services ("DES") for Expansion in the Stage VI area of the NCES landfill located in Bethlehem, New Hampshire. On November 9, 2020, the Conservation Law Foundation ("CLF") filed an appeal of the Permit to the New Hampshire Waste Management Council (“Council”) on the grounds it failed to meet the public benefit criteria. DES defended its decision in the appeal, and NCES also participated as the permittee seeking to defend its permit on appeal.

Throughout 2021 and early 2022 a number of motions were filed by both NCES and CLF with the Council and in February 2022 the Council held a hearing on the CLF appeal. The Council ruled in favor of NCES on all claims set forth in CLF’s appeal. On May 11, 2022, the Council’s Hearing Officer issued an Order denying all of CLF’s arguments on appeal, with the exception of one: the Hearing Officer held that based on his interpretation of the relevant statute, the public benefit determination made by DES in issuing the Permit to NCES was unlawful (the “Hearing Officer’s Order”). The Hearing Officer remanded the Permit to DES with regard to this determination.

DES filed a Motion for Reconsideration on May 31, 2022, and NCES filed a Motion for Rehearing on June 10, 2022. The Hearing Officer denied both motions in separate orders dated November 3, 2022, issued contemporaneously with rulings on three other post-hearing motions. NCES filed a Motion for Rehearing of two of the three post-hearing motion rulings on December 5, 2023, and this Motion remains pending.

DES and NCES appealed the Hearing Officer’s Order to the New Hampshire Supreme Court (“Supreme Court”). On December 23, 2022, CLF filed a Motion for Summary Affirmance of the Hearing Officer’s Order, to which NCES and DES each filed an Objection on January 6, 2023. On January 30, 2023 the Supreme Court issued an Order accepting and consolidating the DES and NCES appeals and denying CLF’s Motion for Summary Affirmance. On January 31, 2023, NCES filed a Motion to Stay the Supreme Court appeals pending the outcome of the Superior Court Open Meeting Law Proceeding discussed below. On February 9, 2023, CLF filed an Objection to the Motion to Stay. The Supreme Court denied the Motion to Stay on February 22, 2023. On March 2, 2023, the Supreme Court ordered the Council to prepare and file the record of the proceedings below by May 1, 2023. Once the record is filed, the Supreme Court will issue a briefing schedule.

On December 14, 2022, NCES filed an action against the Council in Merrimack Superior Court (“Superior Court”) seeking to invalidate the Hearing Officer’s Order as having been adopted in violation of New Hampshire’s statute governing access to public records and meetings (“Open Meeting Law Proceeding”), in that the Council did not hold a public meeting to deliberate on the Hearing Officer’s Order prior to issuance. The Council filed a Motion to Dismiss on January 17, 2023 to which NCES filed a Summary Objection on January 18, 2023, followed by a supplemental Objection filed on February 6, 2023. Following a hearing on the merits before the Superior Court on January 18, 2023, the Superior Court ordered that NCES pursue a stay of the appeal of the Hearing Officer’s Order before the Supreme Court, and that the Superior Court would defer further ruling in the Open Meeting Law Proceeding pending a determination of whether the appeal before the Supreme Court would be stayed. On January 20, 2023, CLF filed a Motion to Intervene in the Open Meeting Law Proceeding. NCES filed an Objection on February 8, 2023, and CLF filed a Reply in Support of Motion to Intervene on February 17, 2023. The Council filed a Supplemental Memorandum of Law on February 17, 2023, to which NCES filed a Response on February 24, 2023. On April 5, 2023, the Superior Court issued an Order granting the Council’s Motion to Dismiss, which was appealed by NCES to the Supreme Court on April 18, 2023.

On September 20, 2022, NCES and our subsidiary, Granite State Landfill, LLC, filed a Petition for Declaratory Judgment ("Petition") in the Superior Court seeking a determination of the meaning and constitutionality of New Hampshire’s public benefit requirement. The Petition asks the court to construe the same statute on which the Hearing Officer relied in the Hearing Officer’s Order. On September 21, 2022, NCES filed a Motion to Stay the Council proceedings pending resolution of the Petition action. DES assented to the relief sought by that motion, and CLF filed an Objection to the Motion to Stay on September 26, 2022. On October 3, 2022, NCES filed a Motion for Leave to File Reply together with its Reply to CLF’s Objection to Motion to Stay. The Hearing Officer denied the Motion to Stay by Order dated November 3, 2022. On December 19, 2022, CLF moved to intervene in the Petition proceeding before the Superior Court, and NCES filed an Objection on January 4, 2023. CLF filed a Reply on January 17, 2023, and NCES filed a Surreply on January 27, 2023. CLF’s intervention motion remains pending before the Superior Court. NCES will continue to vigorously defend the Permit through the appeals to the Supreme Court and litigation of the Petition.

Environmental Remediation Liabilities

We are subject to liability for environmental damage, including personal injury and property damage, that our solid waste, recycling and power generation facilities may cause to neighboring property owners, particularly as a result of the contamination of drinking water sources or soil, possibly including damage resulting from conditions that existed before we acquired the facilities. We may also be subject to liability for similar claims arising from off-site environmental contamination caused by pollutants or hazardous substances if we or our predecessors arrange or arranged to transport, treat or dispose of those materials.

We accrue for costs associated with environmental remediation obligations when such costs become both probable and reasonably estimable. Determining the method and ultimate cost of remediation requires that a number of assumptions be made. There can sometimes be a range of reasonable estimates of the costs associated with remediation of a site. In these cases, we use the amount within the range that constitutes our best estimate. In the early stages of the remediation process, particular components of the overall liability may not be reasonably estimable; in this instance we use the components of the liability that can be reasonably estimated as a surrogate for the liability. It is reasonably possible that we will need to adjust the liabilities recorded for remediation to reflect the effects of new or additional information, to the extent such information impacts the costs, timing or duration of the required actions. Future changes in our estimates of the cost, timing or duration of the required actions could have a material adverse effect on our consolidated financial position, results of operations and cash flows. We disclose outstanding environmental remediation matters that remain unsettled or are settled in the reporting period that we believe could have a material adverse effect on our financial condition, results of operations or cash flows.

We inflate the estimated costs in current dollars to the expected time of payment and discount the total cost to present value using a risk-free interest rate. The risk-free interest rates associated with our environmental remediation liabilities as of March 31, 2023 range between 1.5% and 4.1%. A summary of the changes to the aggregate environmental remediation liabilities for the three months ended March 31, 2023 and 2022 follows:

	Three Months Ended March 31,	
	2023	2022
Beginning balance	$ 6,335	$ 5,887
Accretion expense	26	26
Obligations settled (1)	(18)	(49)
Ending balance	6,343	5,864
Less: current portion	1,131	304
Long-term portion	$ 5,212	$ 5,560

(1) May include amounts paid and amounts that are being processed through accounts payable as a part of our disbursement cycle.

9. STOCKHOLDERS' EQUITY

Stock Based Compensation

Shares Available For Issuance

In the fiscal year ended December 31, 2016, we adopted the 2016 Incentive Plan (“2016 Plan”). Under the 2016 Plan, we may grant awards up to an aggregate amount of shares equal to the sum of: (i) 2,250 shares of Class A common stock (subject to adjustment in the event of stock splits and other similar events), plus (ii) such additional number of shares of Class A common stock (up to 2,723 shares) as is equal to the sum of the number of shares of Class A common stock that remained available for grant under the 2006 Stock Incentive Plan (“2006 Plan”) immediately prior to the expiration of the 2006 Plan and the number of shares of Class A common stock subject to awards granted under the 2006 Plan that expire, terminate or are otherwise surrendered, canceled, forfeited or repurchased by us. As of March 31, 2023, there were 649 Class A common stock equivalents available for future grant under the 2016 Plan.

Stock Options

Stock options are granted at a price equal to the prevailing fair value of our Class A common stock at the date of grant. Generally, stock options granted have a term not to exceed ten years and vest over a one-year to five-year period from the date of grant.

The fair value of each stock option granted is estimated using a Black-Scholes option-pricing model, which requires extensive use of accounting judgment and financial estimation, including estimates of the expected term stock option holders will retain their vested stock options before exercising them and the estimated volatility of our Class A common stock price over the expected term.

A summary of stock option activity follows:

	Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding, December 31, 2022	129	$ 55.60		
Granted	—	$ —		
Exercised	—	$ —		
Forfeited	—	$ —		
Outstanding, March 31, 2023	129	$ 55.60	6.9	$ 3,504
Exercisable, March 31, 2023	49	$ 12.88	3.0	$ 3,412

Stock-based compensation expense related to stock options was $123 during the three months ended March 31, 2023, as compared to $16 during the three months ended March 31, 2022. As of March 31, 2023, we had $1,975 of unrecognized stock-based compensation expense related to outstanding stock options to be recognized over a weighted average period of 4.2 years.

During the three months ended March 31, 2023, the aggregate intrinsic value of stock options exercised was zero dollars.

Other Stock Awards

Restricted stock awards, restricted stock units and performance stock units, with the exception of market-based performance stock units, are granted at a price equal to the fair value of our Class A common stock at the date of grant. The fair value of each market-based performance stock unit is estimated using a Monte Carlo pricing model, which requires extensive use of accounting judgment and financial estimation, including the estimated share price appreciation plus, if applicable, the value of dividends of our Class A common stock as compared to the Russell 2000 Index over the requisite service period.

Generally, restricted stock awards granted to non-employee directors vest incrementally over a three year period beginning on the first anniversary of the date of grant. Restricted stock units granted to non-employee directors vest in full on the first anniversary of the grant date. Restricted stock units granted to employees vest incrementally over an identified service period, typically three years, beginning on the grant date based on continued employment. Performance stock units granted to employees, including market-based performance stock units, vest at a future date following the grant date and are based on the attainment of performance targets and market achievements, as applicable.

A summary of restricted stock award, restricted stock unit and performance stock unit activity follows:

	Restricted Stock Awards, Restricted Stock Units, and Performance Stock Units (1)	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding, December 31, 2022	169	$ 75.52		
Granted	89	$ 79.46		
Class A Common Stock Vested	(50)	$ 59.68		
Forfeited	(2)	$ 70.28		
Outstanding, March 31, 2023	206	$ 81.16	2.2	$ 16,988
Unvested, March 31, 2023	365	$ 82.68	2.0	$ 30,201

(1) Market-based performance stock unit grants are included at the 100% attainment level. Attainment of the maximum performance targets and market achievements would result in the issuance of an additional 159 shares of Class A common stock currently included in unvested.

Stock-based compensation expense related to restricted stock awards, restricted stock units and performance stock units was $1,762 during the three months ended March 31, 2023, as compared to $2,151 during the three months ended March 31, 2022.

During the three months ended March 31, 2023, the total fair value of other stock awards vested was $3,962.

As of March 31, 2023, total unrecognized stock-based compensation expense related to outstanding restricted stock awards was $26, which will be recognized over a weighted average period of 1.0 year. As of March 31, 2023, total unrecognized stock-based compensation expense related to outstanding restricted stock units was $6,008, which will be recognized over a weighted average period of 2.3 years. As of March 31, 2023, total expected unrecognized stock-based compensation expense related to outstanding performance stock units was $7,990 to be recognized over a weighted average period of 2.1 years.

The weighted average fair value of market-based performance stock units granted during the three months ended March 31, 2023 was $83.16 per award, which was calculated using a Monte Carlo pricing model assuming a risk-free interest rate of 4.31% and an expected volatility of 34.9% assuming no expected dividend yield. Risk-free interest rate is based on the U.S. Treasury yield curve for the expected service period of the award. Expected volatility is calculated using the daily volatility of our Class A common stock over the expected service period of the award.

The Monte Carlo pricing model requires extensive use of accounting judgment and financial estimation. Application of alternative assumptions could produce significantly different estimates of the fair value of stock-based compensation and consequently, the related amounts recognized in the consolidated statements of operations.

We also recorded $90 of stock-based compensation expense related to our Amended and Restated 1997 Employee Stock Purchase Plan during the three months ended March 31, 2023, as compared to $73 during the three months ended March 31, 2022.

Accumulated Other Comprehensive Income, Net of Tax

A summary of the changes in the balances of each component of accumulated other comprehensive income, net of tax follows:

	Interest Rate Swaps
Balance, December 31, 2022	$ 7,542
Other comprehensive income before reclassifications	(1,336)
Amounts reclassified from accumulated other comprehensive income	(1,106)
Income tax benefit related to items of other comprehensive loss	673
Net current-period other comprehensive loss, net of tax	(1,769)
Balance, March 31, 2023	$ 5,773

A summary of reclassifications out of accumulated other comprehensive income, net of tax into earnings follows:

	Three Months Ended March 31,		
	2023	2022	
Details About Accumulated Other Comprehensive Income, Net of Tax Components	Amounts Reclassified Out of Accumulated Other Comprehensive Income, Net of Tax		Affected Line Item in the Consolidated Statements of Operations
Interest rate swaps	$ (1,106)	$ 1,128	Interest expense
	1,106	(1,128)	Income before income taxes
	303	(190)	Provision for income taxes
	$ 803	$ (938)	Net income

10. EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated based on the combined weighted average number of common shares and potentially dilutive shares, which include the assumed exercise of employee stock options, unvested restricted stock awards, unvested restricted stock units and unvested performance stock units, including market-based performance units based on the expected achievement of performance targets. In computing diluted earnings per share, we utilize the treasury stock method.

A summary of the numerator and denominators used in the computation of earnings per share follows:

	Three Months Ended March 31,	
	2023	2022
Numerator:		
Net income	$ 3,548	$ 4,190
Denominators:		
Number of shares outstanding, end of period:		
Class A common stock	50,898	50,650
Class B common stock	988	988
Unvested restricted stock	(1)	(2)
Effect of weighted average shares outstanding	(115)	(146)
Basic weighted average common shares outstanding	51,770	51,490
Impact of potentially dilutive securities:		
Dilutive effect of stock options and other stock awards	99	167
Diluted weighted average common shares outstanding	51,869	51,657
Anti-dilutive potentially issuable shares	126	78

11. OTHER ITEMS AND CHARGES

Expense from Acquisition Activities

In the three months ended March 31, 2023, and 2022, we recorded charges of $2,863 and $2,043, respectively, comprised primarily of legal, consulting and other similar costs associated with due diligence and the acquisition and integration of acquired businesses or select development projects.

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

We use a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. These tiers include: Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; and Level 3, defined as unobservable inputs that are not corroborated by market data.

We use valuation techniques that maximize the use of market prices and observable inputs and minimize the use of unobservable inputs. In measuring the fair value of our financial assets and liabilities, we rely on market data or assumptions that we believe market participants would use in pricing an asset or a liability.

Assets and Liabilities Accounted for at Fair Value

Our financial instruments include cash and cash equivalents, accounts receivable, restricted investment securities held in trust on deposit with various banks as collateral for our obligations relative to our landfill final capping, closure and post-closure costs, interest rate derivatives, contingent consideration related to acquisitions, trade payables and debt. The carrying values of cash and cash equivalents, accounts receivable and trade payables approximate their respective fair values due to their short-term nature. The fair value of restricted investment securities held in trust, which are valued using quoted market prices, are included as restricted assets in the Level 1 tier below. The fair value of the interest rate derivatives included in the Level 2 tier below is calculated using discounted cash flow valuation methodologies based upon one-month LIBOR or Term SOFR, as applicable, yield curves that are observable at commonly quoted intervals for the full term of the swaps. The fair value of contingent consideration - acquisition included in the Level 3 tier below is calculated using a discounted cash flow valuation methodology based upon a probability-weighted analysis of a success payment related to the potential attainment of a transfer station permit expansion. We recognize all derivatives accounted for on the balance sheet at fair value.

Recurring Fair Value Measurements

Summaries of our financial assets and liabilities that are measured at fair value on a recurring basis follow:

	Fair Value Measurement at March 31, 2023 Using:		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:			
Restricted investment securities - landfill closure	$ 1,972	$ —	$ —
Interest rate swaps	—	10,100	—
	$ 1,972	$ 10,100	$ —
Liabilities:			
Contingent consideration - acquisition	$ —	$ —	$ 376
Interest rate swaps	—	736	—
	$ —	$ 736	$ 376

	Fair Value Measurement at December 31, 2022 Using:		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:			
Restricted investment securities - landfill closure	$ 1,900	$ —	$ —
Interest rate swaps	—	11,806	—
	$ 1,900	$ 11,806	$ —
Liabilities:			
Contingent consideration - acquisition	$ —	$ —	$ 965

Fair Value of Debt

As of March 31, 2023, the fair value of our fixed rate debt, including our FAME Bonds 2005R-3, FAME Bonds 2015R-1, FAME Bonds 2015R-2, Vermont Bonds 2013, Vermont Bonds 2022A-1, New York Bonds 2014R-1, New York Bonds 2014R-2, New York Bonds 2020 and New Hampshire Bonds (collectively, the "Industrial Revenue Bonds") was approximately $186,760 and the carrying value was $197,000. The fair value of the Industrial Revenue Bonds is considered to be Level 2 within the fair value hierarchy as the fair value is determined using market approach pricing provided by a third-party that utilizes pricing models and pricing systems, mathematical tools and judgment to determine the evaluated price for the security based on the market information of each of the bonds or securities with similar characteristics.

As of March 31, 2023, the carrying value of our Term Loan Facility was $350,000 and the carrying value of our Revolving Credit Facility was zero dollars. Their fair values are based on current borrowing rates for similar types of borrowing arrangements, or Level 2 inputs, and approximate their carrying values.

Although we have determined the estimated fair value amounts of the Industrial Revenue Bonds using available market information and commonly accepted valuation methodologies, a change in available market information, and/or the use of different assumptions and/or estimation methodologies could have a material effect on the estimated fair values. These amounts have not been revalued, and current estimates of fair value could differ significantly from the amounts presented.

13. SEGMENT REPORTING

We report selected information about our reportable operating segments in a manner consistent with that used for internal management reporting. We classify our solid waste operations on a geographic basis through regional operating segments, our Eastern and Western regions. Revenues associated with our solid waste operations are derived mainly from solid waste collection and disposal services, including landfill, transfer station and transportation services, landfill gas-to-energy services, and processing services in the northeastern United States. Our Resource Solutions operating segment leverages our core competencies in materials processing, industrial recycling, organics and resource management service offerings to deliver a comprehensive solution for our larger commercial, municipal, institutional and industrial customers that have more diverse waste and recycling needs. Revenues associated with our Resource Solutions operations are comprised of processing services and services provided by our National Accounts business. Revenues from processing services are derived from customers in the form of processing fees, tipping fees, commodity sales, and organic material sales. Revenues from our National Accounts business are derived from brokerage services and overall resource management services providing a wide range of environmental services and resource management solutions to large and complex organizations, as well as traditional collection, disposal and recycling services provided to large account multi-site customers. Legal, tax, information technology, human resources, certain finance and accounting and other administrative functions are included in our Corporate Entities segment, which is not a reportable operating segment. Corporate Entities results reflect those costs not allocated to our reportable operating segments.

Three Months Ended March 31, 2023

Segment	Outside revenues	Inter-company revenues	Depreciation and amortization	Operating income (loss)	Total assets
Eastern	$ 83,909	$ 19,369	$ 11,903	$ 2,139	$ 364,872
Western	111,034	36,559	17,665	12,426	744,084
Resource Solutions	67,652	3,487	3,076	(1,943)	195,028
Corporate Entities	—	—	791	(2,357)	115,906
Eliminations	—	(59,415)	—	—	—
	$ 262,595	$ —	$ 33,435	$ 10,265	$ 1,419,890

Three Months Ended March 31, 2022

Segment	Outside revenues	Inter-company revenues	Depreciation and amortization	Operating income (loss)	Total assets
Eastern	$ 71,319	$ 16,668	$ 11,450	$ (2,229)	$ 355,371
Western	95,839	32,493	14,659	9,263	684,969
Resource Solutions	66,869	778	2,762	3,691	176,128
Corporate Entities	—	—	557	(557)	90,503
Eliminations	—	(49,939)	—	—	—
	$ 234,027	$ —	$ 29,428	$ 10,168	$ 1,306,971

A summary of our revenues attributable to services provided follows:

	Three Months Ended March 31, 2023	2022
Collection	$ 139,977	$ 119,531
Disposal	51,466	43,153
Power generation	1,924	2,654
Processing	1,576	1,820
Solid waste operations	194,943	167,158
Processing	22,806	27,395
National Accounts	44,846	39,474
Resource Solutions operations	67,652	66,869
Total revenues	$ 262,595	$ 234,027

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our unaudited consolidated financial statements and notes thereto included under Item 1. In addition, reference should be made to our audited consolidated financial statements and notes thereto and related *"Management's Discussion and Analysis of Financial Condition and Results of Operations*" appearing in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 ("fiscal year 2022") filed with the Securities and Exchange Commission on February 17, 2023.

This Quarterly Report on Form 10-Q and, in particular, this "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", may contain or incorporate a number of forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended, including statements regarding:

- general economic factors, such as ongoing or potential geopolitical conflict, pandemics, recessions, or similar national or global events, and general macroeconomic conditions, including, among other things, consumer confidence, global supply chain disruptions, inflation, labor supply, fuel prices, interest rates and access to capital markets that generally are not within our control, and our exposure to credit and counterparty risk;
- the projected development of additional disposal capacity or expectations regarding permits for existing capacity;
- the outcome of any legal or regulatory matter;
- expected liquidity and financing plans;
- expected future revenues, operations, expenditures and cash needs;
- fluctuations in commodity pricing of our recyclables, increases in landfill tipping fees and fuel costs and general economic and weather conditions;
- projected future obligations related to final capping, closure and post-closure costs of our existing landfills and any disposal facilities which we may own or operate in the future;
- our ability to use our net operating losses and tax positions;
- our ability to service our debt obligations;
- the recoverability or impairment of any of our assets or goodwill;
- estimates of the potential markets for our products and services, including the anticipated drivers for future growth;
- sales and marketing plans or price and volume assumptions;
- potential business combinations or divestitures; and
- projected improvements to our infrastructure and the impact of such improvements on our business and operations.

In addition, any statements contained in or incorporated by reference into this report that are not statements of historical fact should be considered forward-looking statements. You can identify these forward-looking statements by the use of the words "believes", "expects", "anticipates", "plans", "may", "will", "would", "intends", "estimates" and other similar expressions, whether in the negative or affirmative. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industry and markets in which we operate, as well as management's beliefs and assumptions, and should be read in conjunction with our consolidated financial statements and notes thereto. These forward-looking statements are not guarantees of future performance, circumstances or events. The occurrence of the events described and the achievement of the expected results depends on many events, some or all of which are not predictable or within our control. Actual results may differ materially from those set forth in the forward-looking statements.

There are a number of important risks and uncertainties that could cause our actual results to differ materially from those indicated by such forward-looking statements. These risks and uncertainties include, without limitation, those detailed in Item 1A. "*Risk Factors*" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

There may be additional risks that we are not presently aware of or that we currently believe are immaterial, which could have an adverse impact on our business. We explicitly disclaim any obligation to update any forward-looking statements whether as a result of new information, future events or otherwise, except as otherwise required by law.

Company Overview

Casella Waste Systems, Inc., a Delaware corporation, and its consolidated subsidiaries (collectively, “we”, “us” or “our”), is a regional, vertically integrated solid waste services company. We provide resource management expertise and services to residential, commercial, municipal, institutional and industrial customers, primarily in the areas of solid waste collection and disposal, transfer, recycling and organics services. We provide integrated solid waste services in seven states: Vermont, New Hampshire, New York, Massachusetts, Connecticut, Maine and Pennsylvania, with our headquarters located in Rutland, Vermont. We manage our solid waste operations on a geographic basis through two regional operating segments, the Eastern and Western regions, each of which provides a full range of solid waste services. We manage our resource-renewal operations through the Resource Solutions operating segment, which leverages our core competencies in materials processing, industrial recycling, organics and resource management service offerings to deliver a comprehensive solution for our larger commercial, municipal, institutional and industrial customers that have more diverse waste and recycling needs.

As of April 15, 2023, we owned and/or operated 50 solid waste collection operations, 66 transfer stations, 26 recycling facilities, eight Subtitle D landfills, three landfill gas-to-energy facilities and one landfill permitted to accept construction and demolition (“C&D”) materials. We also housed two landfill gas-to-energy facilities, which are owned and operated by third parties at landfills we owned and/or operated.

Results of Operations

Revenues

We manage our solid waste operations, which include a full range of solid waste services, on a geographic basis through two regional operating segments, which we designate as the Eastern and Western regions. Revenues in our Eastern and Western regions consist primarily of fees charged to customers for solid waste collection and disposal services, including landfill, transfer station and transportation, landfill gas-to-energy, and processing services. We derive a substantial portion of our collection revenues from commercial, industrial and municipal services that are generally performed under service agreements or pursuant to contracts with municipalities. The majority of our residential collection services are performed on a subscription basis with individual property owners or occupants. Landfill and transfer customers are charged a tipping fee on a per ton basis for disposing of their solid waste at our disposal facilities and transfer stations. We also generate and sell electricity at certain of our landfill facilities. We manage our resource-renewal operations through the Resource Solutions operating segment, which includes processing services, and non-processing services, which we now refer to as our National Accounts business. Revenues from processing services are derived from customers in the form of processing fees, tipping fees, and commodity sales, primarily comprised of newspaper, corrugated containers, plastics, ferrous and aluminum, and organic materials such as our earthlife® soils products including fertilizers, composts and mulches. Revenues from our National Accounts business are derived from brokerage services and overall resource management services providing a wide range of environmental services and resource management solutions to large and complex organizations, as well as traditional collection, disposal and recycling services provided to large account multi-site customers.

A summary of revenues attributable to services provided (dollars in millions and as a percentage of total revenues) follows:

	Three Months Ended March 31,				$ Change
	2023		2022		
Collection	$ 140.0	53.3 %	$ 119.5	51.1 %	$ 20.5
Disposal	51.5	19.6 %	43.2	18.4 %	8.3
Power	1.9	0.7 %	2.7	1.1 %	(0.8)
Processing	1.5	0.6 %	1.8	0.8 %	(0.3)
Solid waste operations	194.9	74.2 %	167.2	71.4 %	27.7
Processing	22.9	8.7 %	27.3	11.7 %	(4.4)
National Accounts	44.8	17.1 %	39.5	16.9 %	5.3
Resource Solutions operations	67.7	25.8 %	66.8	28.6 %	0.9
Total revenues	$ 262.6	100.0 %	$ 234.0	100.0 %	$ 28.6

Solid waste revenues

A summary of the period-to-period change in solid waste revenues (dollars in millions and as percentage growth of solid waste revenues) follows:

	Period-to-Period Change for the Three Months Ended March 31, 2023 vs. 2022	
	Amount	% Growth
Price	$ 14.7	8.8 %
Volume	0.6	0.3 %
Surcharges and other fees	10.3	6.3 %
Commodity price and volume	(1.0)	(0.6)%
Acquisitions	3.1	1.8 %
Solid waste revenues	$ 27.7	16.6 %

Price.

The price change component in quarterly solid waste revenues growth from the prior year period is the result of the following:

- $10.7 million from favorable collection pricing; and
- $4.0 million from favorable disposal pricing associated with our landfills, transfer stations and, to a lesser extent, transportation services.

Volume.

The volume change component in quarterly solid waste revenues growth from the prior year period is the result of the following:

- $2.8 million from higher disposal volumes (of which $1.7 million relates to higher transfer station volumes and $1.1 million relates to higher landfill volumes); partially offset by
- $(2.2) million from lower collection volumes primarily in our Western region associated with higher customer churn due to increased pricing, higher fees charged to additional customers and customer deselection.

Surcharges and other fees.

The surcharges and other fees change component in quarterly solid waste revenues growth from the prior year period is the result of higher energy and environmental fee ("E&E Fee(s)") revenues and higher sustainability recycling adjustment fee ("SRA Fee(s)") revenues. Higher E&E Fee revenues associated with our fuel cost recovery program were a result of higher diesel fuel prices and a higher overall customer participation rate. Higher SRA Fee revenues were a result of lower recycled commodity prices in the quarter and a higher overall customer participation rate. See Item 3. *"Quantitative and Qualitative Disclosures about Market Risk*" included in this Quarterly Report on Form 10-Q for additional information regarding our E&E Fee and SRA Fee.

Commodity price and volume.

The commodity price and volume change component in quarterly solid waste revenues growth from the prior year period is primarily the result of lower landfill gas-to-energy volumes and unfavorable commodity and energy pricing in our Western region.

Acquisitions.

The acquisitions change component in quarterly solid waste revenues growth from the prior year period is primarily the result of the timing and acquisition of ten businesses within our Western region operating segment in line with our growth strategy in fiscal year 2022.

Resource Solutions revenues

The change component in quarterly Resource Solutions revenues growth of $0.9 million from the prior year period is the result of the following:

- $4.8 million from higher processing volumes mainly driven by higher recycled commodity volumes;
- $4.5 million from higher revenues associated with our National Accounts business due to increased volumes on organic business growth, favorable pricing and increased fees; and
- $2.7 million from acquisition activity; partially offset by
- $(11.1) million primarily from the unfavorable impact of lower recycled commodity pricing on processing revenues, partially offset by higher tipping fees and other processing pricing.

Operating Expenses

A summary of cost of operations, general and administration expense, and depreciation and amortization expense (dollars in millions and as a percentage of total revenues) is as follows:

	Three Months Ended March 31,				$ Change
	2023		2022		
Cost of operations	$ 180.2	68.6 %	$ 162.5	69.4 %	$ 17.7
General and administration	$ 35.7	13.6 %	$ 29.8	12.7 %	$ 5.9
Depreciation and amortization	$ 33.4	12.7 %	$ 29.4	12.6 %	$ 4.0

Cost of Operations

Cost of operations includes: (i) direct costs, which consist of the costs of purchased materials and third-party transportation and disposal costs, including third-party tipping fees; (ii) direct labor costs, which include salaries, wages, incentive compensation and related benefit costs such as health and welfare benefits and workers compensation; (iii) direct operational costs, which include landfill operating costs such as accretion expense related to final capping, closure and post-closure obligations, leachate treatment and disposal costs and depletion of landfill operating lease obligations, vehicle insurance costs, host community fees and royalties; (iv) fuel costs used by our vehicles and in conducting our operations; (v) maintenance and repair costs relating to our vehicles, equipment and containers; and (vi) other operational costs including facility costs.

A summary of the major components of our cost of operations is as follows (dollars in millions and as a percentage of total revenues):

	Three Months Ended March 31,				$ Change
	2023		2022		
Direct costs	$ 66.1	25.2 %	$ 59.9	25.6 %	$ 6.2
Direct labor costs	36.7	14.0 %	34.8	14.9 %	1.9
Direct operational costs	22.9	8.7 %	19.9	8.5 %	3.0
Fuel costs	10.9	4.2 %	9.9	4.2 %	1.0
Maintenance and repair costs	22.8	8.6 %	18.7	7.9 %	4.1
Other operational costs	20.8	7.9 %	19.3	8.3 %	1.5
	$ 180.2	68.6 %	$ 162.5	69.4 %	$ 17.7

These cost categories may change from time to time and may not be comparable to similarly titled categories presented by other companies.

The most significant items impacting the changes in our cost of operations during the three months ended March 31, 2023 and 2022 are summarized below:

- Direct costs decreased as a percentage of revenues, while increasing in aggregate dollars primarily due to higher hauling, transportation and disposal costs on (i) higher solid waste volumes primarily driven by acquisition-related growth in our Western region and to a lesser extent, organic business growth, (ii) higher fuel surcharges from third party haulers due to higher diesel fuel prices, (iii) higher disposal rates due to inflationary pressures and (iv) higher volumes in our Resource Solutions operating segment; partially offset by lower purchased material costs in our Resource Solutions operating segment;
- Direct labor costs decreased as a percentage of revenues, while increasing in aggregate dollars primarily due to acquisition-related growth in our Western region and to a lesser extent organic business growth, and wage inflation;
- Direct operational costs increased in aggregate dollars primarily due to (i) higher host community and royalty fees in our Western region and higher landfill operating lease expense due to increased landfill volumes, (ii) higher vehicle insurance costs, (iii) higher accretion expense associated with changes in the timing and cost estimates of our closure, post-closure, and capping obligations, (iv) higher leachate disposal costs in our Western region due to weather events, (v) business growth and (vi) inflationary pressures; partially offset by lower non-landfill operating lease expense;
- Fuel costs remained flat as a percentage of revenues, while increasing in aggregate dollars primarily due to higher diesel fuel prices and higher volumes driven by acquisition-related growth in our Western region and to a lesser extent, organic business growth. See Item 3. "*Quantitative and Qualitative Disclosures about Market Risk*" included in this Quarterly Report on Form 10-Q for additional information regarding our fuel costs;
- Maintenance and repair costs increased in aggregate dollars primarily due to business growth and higher fleet and container maintenance costs associated with inflationary pressures; and
- Other operational costs decreased as a percentage of revenues, while increasing in aggregate dollars primarily due to higher facility costs driven by business growth and inflationary pressures, partially offset by a benefit from the change in fair value of an acquisition related contingent consideration which is based upon a probability-weighted analysis of a success payment related to the potential attainment of a transfer station permit expansion in our Western region.

General and Administration

General and administration expense includes: (i) labor costs, which consist of salaries, wages, incentive compensation and related benefit costs such as health and welfare benefits and workers compensation costs related to management, clerical and administrative functions; (ii) professional service fees; (iii) bad debt expense; and (iv) other overhead costs including those associated with marketing, sales force and community relations efforts.

A summary of the major components of our general and administration expenses is as follows (dollars in millions and as a percentage of total revenues):

	Three Months Ended March 31,				$ Change
	2023		2022		
Labor costs	$ 23.3	8.9 %	$ 21.3	9.1 %	$ 2.0
Professional fees	2.4	0.9 %	1.7	0.7 %	0.7
Provision for bad debt expense	1.0	0.4 %	(0.2)	(0.1)%	1.2
Other	9.0	3.4 %	7.0	3.0 %	2.0
	$ 35.7	13.6 %	$ 29.8	12.7 %	$ 5.9

These cost categories may change from time to time and may not be comparable to similarly titled categories presented by other companies.

The most significant items impacting the changes in our general and administration expenses during the three months ended March 31, 2023 and 2022 are summarized below:

- Labor costs decreased as a percentage of revenues, while increasing in aggregate dollars primarily due to business growth and wage inflation; partially offset by lower equity compensation costs;
- Provision for bad debt expense increased in aggregate dollars due to timing as we began tempering our reserve in the three months ended March 31, 2022 before increasing our allowance for credit losses associated with the use of a more conservative methodology as of March 31, 2023;
- Other costs increased in aggregate dollars primarily due to inflationary pressures and an increase in general overhead costs to support business growth.

Depreciation and Amortization

Depreciation and amortization expense includes: (i) depreciation of property and equipment (including assets recorded for finance leases) on a straight-line basis over the estimated useful lives of the assets; (ii) amortization of landfill costs (including those costs incurred and all estimated future costs for landfill development and construction, along with asset retirement costs arising from closure and post-closure obligations) on a units-of-consumption method as landfill airspace is consumed over the total estimated remaining capacity of a site, which includes both permitted capacity and unpermitted expansion capacity that meets certain criteria for amortization purposes, and amortization of landfill asset retirement costs arising from final capping obligations on a units-of-consumption method as airspace is consumed over the estimated capacity associated with each final capping event; and (iii) amortization of intangible assets with a definite life, based on the economic benefit provided, or using the sum of years digits or straight-line methods over the definitive terms of the related agreements.

A summary of the components of depreciation and amortization expense (dollars in millions and as a percentage of total revenues) follows:

	Three Months Ended March 31,				$ Change
	2023		2022		
Depreciation expense	$ 20.5	7.8 %	$ 19.6	8.4 %	$ 0.9
Landfill amortization expense	8.9	3.4 %	6.1	2.6 %	2.8
Other amortization expense	4.0	1.5 %	3.7	1.6 %	0.3
	$ 33.4	12.7 %	$ 29.4	12.6 %	$ 4.0

The period-to-period increase in depreciation expense and other amortization expense can be primarily attributed to acquisition activity and increased investments in our fleet; partially offset by lower depreciation and other amortization expense in our Eastern region due to the prior year period including additional depreciation and other amortization expense related to a purchase price allocation adjustment. The period-to-period increase in landfill amortization expense can be attributed to increased landfill volumes and changes in cost and other assumptions.

Expense from Acquisition Activities

In the three months ended March 31, 2023 and 2022, we recorded charges of $2.9 million and $2.0 million, respectively, comprised primarily of legal, consulting and other similar costs associated with due diligence and the acquisition and integration of acquired businesses or select development projects.

Other Expenses

Interest Expense, net

Our interest expense, net increased $1.1 million in the three months ended March 31, 2023 from the prior year period primarily due to rising interest rates and higher average debt balances associated with the issuance in June 2022 of $35.0 million aggregate principal amount of Vermont Economic Development Authority Solid Waste Disposal Long-Term Revenue Bonds Series 2022A-1.

Provision for Income Taxes

Our provision for income taxes decreased $(0.2) million in the three months ended March 31, 2023 from the prior year period. The provision for income taxes in the three months ended March 31, 2023 included $0.5 million of current income taxes and $0.3 million of deferred income taxes. The provision for income taxes in the three months ended March 31, 2022 included $0.5 million of current income taxes and $0.5 million of deferred income taxes. The effective rate before discrete items for the fiscal year ending December 31, 2023 ("fiscal year 2023") is 30% and is computed based on the statutory rate of 21% adjusted primarily for state taxes and nondeductible officer compensation. The discrete items include equity compensation and a portion of equity compensation disallowed in 162(m). The equity compensation deduction is taken into account in the three months ended March 31, 2023 due to the timing of bonuses and equity awards. Where the long-term trend of the stock price underlying the equity compensation has been increasing, this creates a larger deduction for tax, which reduces the effective rate for the three months ended March 31, 2023. The effective rate for the three months ended March 31, 2023 is 18.2% which is consistent with the same period in the prior year. For the period ending March 31, 2022 the effective rate was 18.6%.

On December 22, 2017, the Tax Cuts and Jobs Act (the “TCJA”) was enacted. The TCJA significantly changed U.S. corporate income tax laws by, among other things, changing carryforward rules for net operating losses. Under the Internal Revenue Code, as amended by the TCJA, federal net operating loss carryforwards generated before the 2018 tax year continue to be carried forward for 20 years and are able to fully offset taxable income (“pre-2018 net operating losses”). Federal net operating losses generated following the 2017 tax year are carried forward indefinitely, but generally may only offset up to 80% of taxable income earned in a tax year (“post-2017 net operating losses”).

We carried $5.8 million of pre-2018 net operating losses and $46.5 million of post-2017 net operating losses into the 2023 tax year. We expect to utilize all of our NOLs in fiscal year 2023.

In addition, the TCJA added limitations on the deductibility of interest expense that became more restrictive beginning in tax year 2022 and potentially could limit the deductibility of some of our interest expense. Any interest expense limited may be carried forward indefinitely and utilized in later years subject to said interest limitation.

Segment Reporting

Revenues

A summary of revenues by reportable operating segment (in millions) follows:

	Three Months Ended March 31,		$ Change
	2023	2022	
Eastern	$ 83.9	$ 71.3	$ 12.6
Western	111.0	95.8	15.2
Resource Solutions	67.7	66.9	0.8
Total revenues	$ 262.6	$ 234.0	$ 28.6

Eastern Region

A summary of the period-to-period change in solid waste revenues (dollars in millions and as percentage growth of solid waste revenues) follows:

	Period-to-Period Change for the Three Months Ended March 31, 2023 vs. 2022	
	Amount	% Growth
Price	$ 7.6	10.6 %
Volume	0.5	0.7 %
Surcharges and other fees	4.6	6.5 %
Commodity price and volume	(0.1)	(0.1)%
Solid waste revenues	$ 12.6	17.7 %

Price.

The price change component in quarterly solid waste revenues growth from the prior year period is the result of the following:

- $5.3 million from favorable collection pricing; and
- $2.3 million from favorable disposal pricing related to landfills and transfer stations.

Volume.

The volume change component in quarterly solid waste revenues growth from the prior year period is the result of higher disposal volumes ($1.1 million from higher transfer station volumes, partially offset by $(0.3) million associated with landfill volumes primarily due to customer and material mix and $(0.3) million associated with lower transportation volumes).

Surcharges and other fees.

The surcharges and other fees change component in quarterly solid waste revenues growth from the prior year period is a result of higher E&E Fee revenues and higher SRA Fee revenues. Higher E&E Fee revenues associated with our fuel cost recovery program were as a result of higher diesel fuel prices and a higher overall customer participation rate. Higher SRA Fee revenues were a result of lower recycled commodity prices in the quarter and a higher overall customer participation rate. See Item 3. *"Quantitative and Qualitative Disclosures about Market Risk*" included in this Quarterly Report on Form 10-Q for additional information regarding our E&E Fee and SRA Fee.

Western Region

A summary of the period-to-period change in solid waste revenues (dollars in millions and as percentage growth of solid waste revenues) follows:

	Period-to-Period Change for the Three Months Ended March 31, 2023 vs. 2022	
	Amount	% Growth
Price	$ 7.1	7.4 %
Volume	0.1	0.1 %
Surcharges and other fees	5.8	6.2 %
Commodity price and volume	(0.9)	(1.0)%
Acquisitions	3.1	3.2 %
Solid waste revenues	$ 15.2	15.9 %

Price.

The price change component in quarterly solid waste revenues growth from the prior year period is the result of the following:

- $5.4 million from favorable collection pricing; and
- $1.7 million from favorable disposal pricing related to landfills, transportation services and transfer stations.

Volume.

The volume change component in quarterly solid waste revenues growth from the prior year period is the result of the following:

- $2.3 million from higher disposal volumes related to landfills, transfer stations and, to a lesser extent, transportation services; partially offset by
- $(2.2) million from lower collection volumes associated with higher customer churn due to increased pricing, higher fees charged to additional customers and customer deselection.

Surcharges and other fees.

The surcharges and other fees change component in quarterly solid waste revenues growth from the prior year period is a result of higher E&E Fee revenues and higher SRA Fee revenues. Higher E&E Fee revenues associated with our fuel cost recovery program were a result of higher diesel fuel prices and a higher overall customer participation rate. Higher SRA Fee revenues were a result of lower recycled commodity prices in the quarter and a higher overall customer participation rate. See Item 3. *"Quantitative and Qualitative Disclosures about Market Risk*" included in this Quarterly Report on Form 10-Q for additional information regarding our E&E Fee and SRA Fee.

Commodity price and volume.

The commodity price and volume change component in quarterly solid waste revenues growth from the prior year period is primarily due to lower landfill gas-to-energy volumes and unfavorable commodity and energy pricing.

Acquisitions.

The acquisitions change component in quarterly solid waste revenues growth from the prior year period is the result of the timing and acquisition of ten businesses in line with our growth strategy in fiscal year 2022.

Operating Income (Loss)

A summary of operating income (loss) by operating segment (in millions) follows:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	$ Change
Eastern	$ 2.1	$ (2.2)	$ 4.3
Western	12.5	9.3	3.2
Resource Solutions	(1.9)	3.7	(5.6)
Corporate Entities	(2.4)	(0.6)	(1.8)
Operating income	$ 10.3	$ 10.2	$ 0.1

Eastern Region

Operating income increased $4.3 million quarterly from the prior year period. Excluding the impact of the Southbridge Landfill closure charge, our improved operating performance in the three months ended March 31, 2023 was driven by revenue growth, inclusive of inter-company revenues, more than offsetting the following cost impacts discussed below.

Cost of operations

Cost of operations increased $9.0 million quarterly from the prior year period due to the following:

- Direct costs increased in aggregate dollars primarily due to higher hauling, transportation and disposal costs on (i) higher solid waste volumes from organic business growth, (ii) higher fuel surcharges from third party haulers due to higher diesel fuel prices and (iii) higher disposal rates due to inflationary pressures;
- Maintenance and repair costs increased in aggregate dollars primarily due to organic business growth and higher fleet and container maintenance costs associated with inflationary pressures;
- Direct operational costs increased in aggregate dollars primarily due to (i) higher vehicle insurance costs, (ii) higher accretion expense associated with changes in the timing and cost estimates of our closure, post-closure, and capping obligations, (iii) higher landfill operating lease expense due to increased landfill volumes, (iv) organic business growth and (vi) inflationary pressures; partially offset by lower non-landfill operating lease expense;
- Direct labor costs increased in aggregate dollars primarily due to organic business growth and wage inflation;

- Fuel costs increased in aggregate dollars primarily due to higher diesel fuel prices and higher volumes driven by organic business growth. See Item 3. "*Quantitative and Qualitative Disclosures about Market Risk*" included in this Quarterly Report on Form 10-Q for additional information regarding our fuel costs; and
- Other operational costs increased in aggregate dollars primarily due to higher facility costs driven by organic business growth and inflationary pressures.

General and administration: General and administration expense increased $2.3 million quarterly from the prior year period due to (i) organic business growth, (ii) wage inflation, (iii) higher bad debt expense and (iv) the allocation of higher shared service costs.

Depreciation and amortization: Depreciation and amortization expense increased $0.5 million quarterly from the prior year period due to higher landfill amortization expense as a result of higher landfill volumes and changes in cost and other assumptions; partially offset by lower depreciation and other amortization expense due to the prior year period including additional depreciation and other amortization expense related to a purchase price allocation adjustment.

Western Region

Operating income increased $3.2 million quarterly from the prior year period. Excluding the impact of the expense from acquisition activities, our improved operating performance in the three months ended March 31, 2023 was driven by revenue growth, inclusive of inter-company revenues, more than offsetting the following cost impacts discussed below.

Cost of operations

Cost of operations increased $10.7 million quarterly from the prior year period due to the following:

- Direct costs increased in aggregate dollars primarily due to higher hauling, transportation and disposal costs on (i) higher solid waste volumes from acquisition-related business growth, and to a lesser extent organic business growth, (ii) higher fuel surcharges from third party haulers due to higher diesel fuel prices and (iii) higher disposal rates due to inflationary pressures;
- Direct operational costs increased in aggregate dollars primarily due to (i) higher host community and royalty fees and higher landfill operating lease expense due to increased landfill volumes, (ii) higher leachate disposal costs due to weather events, (iii) higher accretion expense associated with changes in the timing and cost estimates of our closure, post-closure, and capping obligations, (iv) higher vehicle insurance costs, (v) acquisition-related growth, and to a lesser extent organic business growth and (vi) inflationary pressures, partially offset by lower non-landfill operating lease expense;
- Maintenance and repair costs increased in aggregate dollars primarily due to acquisition-related growth, and to a lesser extent organic business growth, and higher fleet and container maintenance costs associated with inflationary pressures;
- Direct labor costs increased in aggregate dollars primarily due to acquisition-related growth and to a lesser extent organic business growth, and wage inflation;
- Fuel costs increased in aggregate dollars primarily due to higher diesel fuel prices and higher volumes driven by acquisition-related growth, and to a lesser extent organic business growth. See Item 3. "*Quantitative and Qualitative Disclosures about Market Risk*" included in this Quarterly Report on Form 10-Q for additional information regarding our fuel costs; and
- Other operational costs increased in aggregate dollars primarily due to higher facility costs driven by acquisition-related growth, and to a lesser extent organic business growth, and inflationary pressures; partially offset by a benefit from the change in fair value of an acquisition related contingent consideration which is based upon a probability-weighted analysis of a success payment related to the potential attainment of a transfer station permit expansion.

General and administration: General and administration expense increased $2.0 million quarterly from the prior year period due to (i) acquisition-related growth, and to a lesser extent organic business growth, (ii) wage inflation, (iii) an increase in general overhead costs associated with business growth and inflationary pressures, (iv) higher bad debt expense and (v) the allocation of higher shared service costs.

Depreciation and amortization: Depreciation and amortization expense increased $3.0 million quarterly from the prior year period primarily due to acquisition-related growth and increased investments in our fleet, whereas the increase in landfill amortization expense can be primarily attributed to higher landfill volumes and changes in cost and other assumptions.

Resource Solutions

Operating income decreased $(5.6) million quarterly from the prior year period. Excluding the impact of the expense from acquisition activities, our operating performance in the three months ended March 31, 2023 was driven by revenue growth, inclusive of inter-company revenues, more than offset by the following cost impacts discussed below.

Cost of operations

Cost of operations increased $7.5 million quarterly from the prior year period due to the following:

- Direct costs increased in aggregate dollars primarily due to higher hauling, transportation and disposal costs on (i) increased volumes in our National Accounts business, (ii) higher fuel surcharges from third party haulers due to higher diesel fuel prices, (iii) higher disposal rates due to inflationary pressures, (iv) higher volumes associated with our processing services and (v) costs associated with the diversion of materials from our Boston, Massachusetts material recovery facility which is currently undergoing a retrofit; partially offset by lower purchased material costs;
- Maintenance and repair costs increased in aggregate dollars primarily due to business growth and higher fleet and container maintenance costs associated with inflationary pressures;
- Other operational costs increased in aggregate dollars primarily due to higher facility costs driven by business growth and inflationary pressures; and
- Direct operational costs increased in aggregate dollars primarily due to business growth and inflationary pressures.

General and administration: General and administration expense increased $1.6 million quarterly from the prior year period due to (i) business growth, (ii) wage inflation, (iii) an increase in general overhead costs associated with business growth and inflationary pressures and (iv) higher bad debt expense.

Depreciation and amortization: Depreciation and amortization expense increased $0.3 million quarterly from the prior year period due to acquisition activity completed in fiscal year 2022.

Corporate Entities

Corporate Entities operating loss reflects those costs not allocated to our reportable operating segments, which typically consists of depreciation and amortization expense. Operating income decreased $(1.8) million quarterly from the prior year period primarily due to unallocated acquisition related expenses, comprised primarily of legal, consulting and other similar costs in the three months ended March 31, 2023.

Liquidity and Capital Resources

We continually monitor our actual and forecasted cash flows, our liquidity, and our capital requirements in order to properly manage our liquidity needs as we move forward based on the capital intensive nature of our business and our growth acquisition strategy. We have $272.3 million of undrawn capacity from our $300.0 million revolving credit facility ("Revolving Credit Facility") as of March 31, 2023 to help meet our short-term and long-term liquidity needs. We expect existing cash and cash equivalents combined with cash flows from operations and financing activities to continue to be sufficient to fund our operating activities and cash commitments for investing and financing activities for at least the next 12 months and thereafter for the foreseeable future.

Our known current- and long-term uses of cash include, among other possible demands: (1) acquisitions, (2) capital expenditures and leases, (3) repayments to service debt and other long-term obligations and (4) payments for final capping, closure and post-closure asset retirement obligations and environmental remediation liabilities. We have made in the past and plan to make in the future, acquisitions to expand service areas, densify existing operations, and grow services for our customers. Future acquisitions may include larger, more strategic acquisitions that may be inside or outside of our existing market, which could require additional financing either in the form of debt or equity.

A summary of cash and cash equivalents, restricted assets and debt balances, excluding any debt issuance costs, (in millions) follows:

	March 31, 2023	December 31, 2022	$ Change
Cash and cash equivalents	$ 60.2	$ 71.2	$ (11.0)
Current assets, excluding cash and cash equivalents	$ 127.6	$ 136.3	$ (8.7)
Restricted assets	$ 2.0	$ 1.9	$ 0.1
Total current liabilities:			
Current liabilities, excluding current maturities of debt	$ 135.8	$ 168.6	$ (32.8)
Current maturities of debt	9.3	9.0	0.3
Total current liabilities	$ 145.1	$ 177.6	$ (32.5)
Debt, less current portion	$ 586.8	$ 594.5	$ (7.7)

Current assets, excluding cash and cash equivalents, decreased $(8.7) million and current liabilities decreased $(32.5) million in the three months ended March 31, 2023 as compared to December 31, 2022, resulting in a $23.8 million increase in working capital, net (defined as current assets, excluding cash and cash equivalents, minus current liabilities), from $(41.3) million as of December 31, 2022 to $(17.5) million as of March 31, 2023. We strive to maintain a negative working capital cycle driven by shorter days sales outstanding as compared to days payable outstanding in an effort to collect money at a faster rate than paying bills to facilitate business growth.

Summary of Cash Flow Activity

Cash and cash equivalents decreased $(11.0) million in the three months ended March 31, 2023. A summary of cash flows (in millions) follows:

	Three Months Ended March 31,		
	2023	2022	$ Change
Net cash provided by operating activities	$ 16.1	$ 24.7	$ (8.6)
Net cash used in investing activities	$ (17.7)	$ (62.5)	$ 44.8
Net cash (used in) provided by financing activities	$ (9.3)	$ 16.6	$ (25.9)

Cash flows from operating activities.

A summary of operating cash flows (in millions) follows:

	Three Months Ended March 31,	
	2023	2022
Net income	$ 3.5	$ 4.2
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	33.4	29.4
Interest accretion on landfill and environmental remediation liabilities	2.5	2.0
Amortization of debt issuance costs	0.5	0.5
Stock-based compensation	2.0	2.2
Operating lease right-of-use assets expense	3.3	3.2
Disposition of assets, other items and charges, net	1.3	0.8
Deferred income taxes	0.1	0.5
	46.6	42.8
Changes in assets and liabilities, net	(30.5)	(18.1)
Net cash provided by operating activities	$ 16.1	$ 24.7

A summary of the most significant items affecting the change in our operating cash flows follows:

Net cash provided by operating activities decreased $(8.6) million in the three months ended March 31, 2023 as compared to the three months ended March 31, 2022. This was the result of operational performance, more than offset by an increase in the unfavorable cash flow impact associated with the changes in our assets and liabilities, net of effects of acquisitions and divestitures. For discussion of our operational performance in the three months ended March 31, 2023 as compared to the three months ended March 31, 2022, see "*Results of Operations"* included in this Item 2. "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" of this Quarterly Report on Form 10-Q. The increase in the unfavorable cash flow impact associated with the changes in our assets and liabilities, net of effects of acquisitions and divestitures, which are affected by both cost changes and the timing of payments, in the three months ended March 31, 2023 as compared to the three months ended March 31, 2022 was primarily due to the following:

- a $(10.9) million unfavorable impact to operating cash flows associated with the changes in accrued expenses, contract liabilities and other liabilities on higher cash income tax payments, and a higher decline in accrued payroll, related to the payment of incentive compensation, and other accrued expenditures; and
- a $(9.7) million unfavorable impact to operating cash flows associated with the change in accounts payable as prior year payables grew in the aggregate despite similar reductions in days payable outstanding from the prior year period; partially offset by
- a $5.3 million favorable impact to operating cash flows associated with the change in accounts receivable primarily due to increased revenues growth and a favorable decrease in days sales outstanding from the prior year period.

Cash flows from investing activities.

A summary of investing cash flows (in millions) follows:

	Three Months Ended March 31,	
	2023	**2022**
Acquisitions, net of cash acquired	$ (0.3)	$ (49.8)
Additions to property, plant and equipment	(17.9)	(12.9)
Proceeds from sale of property and equipment	0.5	0.2
Net cash used in investing activities	$ (17.7)	$ (62.5)

A summary of the most significant items affecting the change in our investing cash flows follows:

Acquisitions, net of cash acquired. In the three months ended March 31, 2023, we paid $0.3 million in holdback payments on businesses previously acquired, as compared to the three months ended March 31, 2022 during which we acquired six businesses for total consideration of $53.5 million, including $49.8 million in cash.

Capital expenditures. Capital expenditures increased $5.0 million in the three months ended March 31, 2023 as compared to the three months ended March 31, 2022 primarily due to higher capital spend associated with (i) facility spend related to the purchase of a transfer station that was formerly leased and the retrofitting of a single-stream material recovery facility; (ii) development of rail side infrastructure at our Subtitle D landfill located in Mount Jewett, Pennsylvania and (iii) higher spend for vehicles, machinery, equipment and containers associated with business growth and inflationary pressures.

Cash flows from financing activities.

A summary of financing cash flows (in millions) follows:

	Three Months Ended March 31,	
	2023	**2022**
Proceeds from long-term borrowings	$ —	$ 25.6
Principal payments on debt	(9.0)	(9.0)
Payments of debt issuance costs	(0.3)	—
Net cash (used in) provided by financing activities	$ (9.3)	$ 16.6

A summary of the most significant items affecting the change in our financing cash flows follows:

Debt activity. Net cash associated with debt activity decreased $(25.6) million in the three months ended March 31, 2023 as compared to the three months ended March 31, 2022 due to borrowings in the prior year period on our Revolving Credit Facility associated with acquisition activity.

Outstanding Long-Term Debt

Credit Facility

As of March 31, 2023, we are party to an amended and restated credit agreement, dated as of December 22, 2021, as amended by the first amendment, dated as of February 9, 2023, and the second amendment, dated as of February 9, 2023 (the "Amended and Restated Credit Agreement"), which provides for a $350.0 million aggregate principal amount term loan A facility ("Term Loan Facility") and a $300.0 million revolving credit facility ("Revolving Credit Facility" together with the Term Loan Facility, the "Credit Facility"), with a $75.0 million sublimit for letters of credit. We have the right to request, at our discretion, an increase in the amount of loans under the Credit Facility by an aggregate amount of $125.0 million, subject to the terms and conditions set forth in the Amended and Restated Credit Agreement. The Credit Facility has a 5-year term that matures in December 2026. On February 9, 2023, we entered into first and second amendments to the Amended and Restated Credit Agreement. The first amendment provides, commencing in the fiscal year ending December 31, 2024, the interest rate margin applied for drawn and undrawn amounts under the Amended and Restated Credit Agreement shall be separately adjusted based on our achievement of certain thresholds and targets on two sustainability related key performance indicator metrics during fiscal year 2023: (i) metric tons of solid waste materials reduced, reused or recycled through our direct operations or with third-parties in collaboration with customers; and (ii) our total recordable incident rate. The second amendment provides that loans under the Amended and Restated Credit Agreement shall bear interest, at our election, at term secured overnight financing rate ("Term SOFR"), including a secured overnight financing rate adjustment of 10 basis points, or at a base rate, in each case, plus an applicable interest rate margin based on consolidated net leverage ratio, and plus or minus any sustainability rate adjustment. Unless loans are made as or converted to base rate loans, loans under the Amended and Restated Credit Agreement will bear interest at Term SOFR, including a secured overnight financing rate adjustment of 10 basis points, plus a margin based upon our consolidated net leverage ratio in the range of 1.125% to 2.125% per annum, plus a sustainability adjustment of up to positive or negative 4.0 basis point per annum. A commitment fee will be charged on undrawn amounts at a rate of Term SOFR, plus a margin based upon our consolidated net leverage ratio in the range of 0.20% to 0.40% per annum, plus a sustainability adjustment of up to positive or negative 1.0 basis points per annum. We are also required to pay a fronting fee for each letter of credit of 0.25% per annum. Interest under the Amended and Restated Credit Agreement is subject to increase by 2.00% per annum during the continuance of a payment default and may be subject to increase by 2.00% per annum during the continuance of any other event of default. The Credit Facility is guaranteed jointly and severally, fully and unconditionally by all of our significant wholly-owned subsidiaries and secured by substantially all of our assets. As of March 31, 2023, further advances were available under the Revolving Credit Facility in the amount of $272.3 million. The available amount is net of outstanding irrevocable letters of credit totaling $27.7 million, and as of March 31, 2023 no amount had been drawn.

The Amended and Restated Credit Agreement requires us to maintain a minimum interest coverage ratio and a maximum consolidated net leverage ratio, to be measured at the end of each fiscal quarter. As of March 31, 2023, we were in compliance with all financial covenants contained in the Amended and Restated Credit Agreement as follows (in millions):

Credit Facility Covenant	Twelve Months Ended March 31, 2023	Covenant Requirements at March 31, 2023
Maximum consolidated net leverage ratio (1)	2.06	4.00
Minimum interest coverage ratio	10.85	3.00

(1) The maximum consolidated net leverage ratio is calculated as consolidated funded debt, net of unencumbered cash and cash equivalents in excess of $2.0 million and up to $100.0 million (calculated at $537.9 million as of March 31, 2023, or $596.1 million of consolidated funded debt less $58.2 million of cash and cash equivalents in excess of $2.0 million and up to $100.0 million as of March 31, 2023), divided by consolidated EBITDA. Consolidated EBITDA is based on operating results for the twelve months preceding the measurement date of March 31, 2023. Consolidated funded debt, net of unencumbered cash and cash equivalents in excess of $2.0 million and up to $100.0 million, and consolidated EBITDA as defined by the Amended and Restated Credit Agreement ("Consolidated EBITDA") are non-GAAP financial measures that should not be considered an alternative to any measure of financial performance calculated and presented in accordance with generally accepted accounting principles in the United States. A reconciliation of net cash provided by operating activities to Consolidated EBITDA is as follows (in millions):

	Twelve Months Ended March 31, 2023
Net cash provided by operating activities	$ 208.7
Changes in assets and liabilities, net of effects of acquisitions and divestitures	23.8
Stock based compensation	(7.9)
Operating lease right-of-use assets expense	(5.0)
Disposition of assets, other items and charges, net	(1.2)
Interest expense, less amortization of debt issuance costs	23.5
Provision for income taxes, net of deferred income taxes	5.6
Adjustments as allowed by the Amended and Restated Credit Agreement	13.1
Consolidated EBITDA	$ 260.6

In addition to these financial covenants, the Amended and Restated Credit Agreement also contains a number of important customary affirmative and negative covenants which restrict, among other things, our ability to sell assets, incur additional debt, create liens, make investments, and pay dividends. As of March 31, 2023, we were in compliance with the covenants contained in the Amended and Restated Credit Agreement. We do not believe that these restrictions impact our ability to meet future liquidity needs.

An event of default under any of our debt agreements could permit some of our lenders, including the lenders under the Credit Facility, to declare all amounts borrowed from them to be immediately due and payable, together with accrued and unpaid interest, or, in the case of the Credit Facility, terminate the commitment to make further credit extensions thereunder, which could, in turn, trigger cross-defaults under other debt obligations. If we were unable to repay debt to our lenders or were otherwise in default under any provision governing our outstanding debt obligations, our secured lenders could proceed against us and against the collateral securing that debt.

Based on the seasonality of our business, operating results in the late fall, winter and early spring months are generally lower than the remainder of our fiscal year. Given the cash flow impact that this seasonality, the capital intensive nature of our business and the timing of debt payments has on our business, we typically incur higher debt borrowings in order to meet our liquidity needs during these times. Consequently, our availability and performance against our financial covenants may tighten during these times as well.

Financing Activities

In April 2023, we entered into a commitment letter with lenders to obtain secured bridge financing in an amount of up to $375.0 million, less the amount of any term loan A ("Term Loan A"), and received the commitment of certain commitment parties to fund up to $261.5 million of a maximum of $400.0 million Term Loan A, which may be a delayed draw, under our Amended and Restated Credit Agreement to fund, in conjunction with cash and cash equivalents and borrowings from our Revolving Credit Facility the purchase of the equity interests of four wholly owned subsidiaries of GFL Environmental ("GFL Subsidiaries") . On April 21, 2023, we entered into an equity purchase agreement with GFL Environmental Inc. to purchase 100% of the equity interests of the GFL Subsidiaries that operate solid waste collection, transfer and recycling operations in Pennsylvania, Maryland, and Delaware for approximately $525.0 million in cash. The proposed acquisition includes nine hauling operations, one transfer station, and one material recovery facility. The acquisition is expected to close by the third quarter of fiscal year 2023, subject to customary closing conditions, including regulatory approvals.

Tax-Exempt Financings and Other Debt

As of March 31, 2023, we had outstanding $197.0 million aggregate principal amount of tax exempt bonds, $48.8 million aggregate principal amount of finance leases and $0.3 million aggregate principal amount of notes payable. See Note 7, *Debt* to our consolidated financial statements included in Part I. Item. 1 of this Quarterly Report on Form 10-Q for further disclosure regarding debt.

Inflation

Inflationary increases in costs, including current inflationary pressures associated primarily with fuel, labor and certain other cost categories and capital items, have materially affected, and may continue to materially affect, our operating margins and cash flows. While inflation negatively impacted operating results and margins during the three months ended March 31, 2023 and 2022, we believe that our flexible pricing structures and cost recovery fees are allowing us to recover and will continue to allow us to recover certain inflationary costs from our customer base. Consistent with industry practice, most of our contracts and service agreements provide for a pass-through of certain costs to our customers, including increases in landfill tipping fees and in most cases fuel costs, intended to mitigate the impact of inflation on our operating results. We have also implemented a number of operating efficiency programs that seek to improve productivity and reduce our service costs, and our fuel cost recovery program, which is the energy component of our E&E Fee, is designed to recover escalating fuel price fluctuations above a periodically reset floor. Despite these programs, competitive factors may require us to absorb at least a portion of these cost increases. See Item 3. *"Quantitative and Qualitative Disclosures about Market Risk*" included in this Quarterly Report on Form 10-Q for additional information regarding our fuel cost recovery program. Additionally, management's estimates associated with inflation have had, and will continue to have, an impact on our accounting for landfill and environmental remediation liabilities.

Regional Economic Conditions

Our business is primarily located in the northeastern United States. Therefore, our business, financial condition and results of operations are susceptible to downturns in the general economy in this geographic region and other factors affecting the region, such as state regulations and severe weather conditions. We are unable to forecast or determine the timing and/or the future impact of a sustained economic slowdown.

Seasonality and Severe Weather

Our transfer and disposal revenues historically have been higher in the late spring, summer and early fall months. This seasonality reflects lower volumes of waste in the late fall, winter and early spring months because the volume of waste relating to C&D activities decreases substantially during the winter months in the northeastern United States.

Because certain of our operating and fixed costs remain constant throughout the fiscal year, operating income is therefore impacted by a similar seasonality. Our operations can be adversely affected by periods of inclement or severe weather, which may increase with the physical impacts of climate change and could increase our operating costs associated with the collection and disposal of waste, delay the collection and disposal of waste, reduce the volume of waste delivered to our disposal sites, increase the volume of waste collected under our existing contracts (without corresponding compensation), decrease the throughput and operating efficiency of our materials recycling facilities, or delay construction or expansion of our landfill sites and other facilities. Our operations can also be favorably affected by severe weather, which could increase the volume of waste in situations where we are able to charge for our additional services provided.

Our processing line-of-business in the Resource Solutions operating segment typically experiences increased volumes of fiber from November through mid-January due to increased retail activity during the holiday season.

Critical Accounting Estimates and Assumptions

Our financial statements have been prepared in accordance with generally accepted accounting principles in the United States and necessarily include certain estimates and judgments made by management. On an on-going basis, management evaluates its estimates and judgments which are based on historical experience and on various other factors that are believed to be reasonable under the circumstances. The results of their evaluation form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions and circumstances. Our critical accounting estimates are more fully discussed in Item 7. "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

New Accounting Pronouncements

For a description of the new accounting standards that may affect us, see Note 2, *Accounting Changes* to our consolidated financial statements included under Part I. Item 1. of this Quarterly Report on Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business we are exposed to market risks, including changes in diesel fuel prices, interest rates and certain commodity prices. We have a variety of strategies to mitigate these market risks, including those discussed below.

Fuel Price Risk

The price and supply of fuel are unpredictable and fluctuate based on events beyond our control, including among others, geopolitical developments, supply and demand for oil and gas, actions by the Organization of the Petroleum Exporting Countries and other oil and gas producers, war and unrest in oil producing countries and regional production patterns. Fuel is needed to run our fleet of trucks, equipment and other aspects of our operations, and price escalations for fuel increase our operating expenses. We have a fuel cost recovery program, which is the energy component of our energy and environmental fee ("E&E Fee(s)") that is designed to offset some or all of the impact of diesel fuel price increases above a periodically reset floor and contemplates a minimum customer participation level to cover changes in our fuel costs. The energy component of the E&E Fee floats on a monthly basis based upon changes in a published diesel fuel price index and is tied to a price escalation index with a look-back provision, which results in a timing lag in our ability to match the changes in the fuel cost component of the fee to diesel fuel price fluctuations during periods of rapid price changes. In certain circumstances, a substantial rise or drop in fuel costs could materially affect our revenue and costs of operations. However, a substantial rise or drop in fuel costs should not have a material impact on our results of operations. In addition, we are susceptible to increases in fuel surcharges from our vendors.

Based on our consumption levels in the last twelve months ended March 31, 2023, after considering physically settled fuel contracts we believe a $0.50 cent per gallon change in the price of diesel fuel would change our direct fuel costs by approximately $4.9 million per year. Offsetting these changes in direct fuel expense would be changes in the energy component of the E&E Fees charged to our customers. Based on participation rates as of March 31, 2023, we believe a $0.50 cent per gallon change in the price of diesel fuel would change the energy component of the E&E Fee by approximately $5.8 million per year. In addition to direct fuel costs related to our consumption levels, we are also subject to fuel surcharge expense from third party transportation providers. Other operational costs and capital expenditures may also be impacted by fuel prices.

Our fuel costs were $10.9 million in the three months ended March 31, 2023, or 4.2% of revenue, compared to $9.9 million in the three months ended March 31, 2022, or 4.2% of revenue.

Commodity Price Risk

We market a variety of materials, including fibers such as old corrugated cardboard and old newsprint, plastics, glass, ferrous and aluminum metals. We may use a number of strategies to mitigate impacts from these recycled material commodity price fluctuations including: (1) charging collection customers a floating sustainability recycling adjustment fee to reduce recycling commodity risks; (2) providing in-bound material recovery facilities ("MRF") customers with a revenue share or indexed materials purchases in higher commodity price markets, or charging these same customers a processing cost or tipping fee per ton in lower commodity price markets; (3) selling recycled commodities to out-bound MRF customers through floor price or fixed price agreements; or (4) entering into fixed price contracts or hedges that mitigate the variability in cash flows generated from the sales of recycled paper at floating prices. Although we have introduced these risk mitigation programs to help offset volatility in commodity prices and to offset higher labor or capital costs to meet more stringent contamination standards, we cannot provide assurance that we can use these programs with our customers in all circumstances or that they will mitigate these risks in an evolving recycling environment. We do not use financial instruments for trading purposes and are not a party to any leveraged derivatives. As of March 31, 2023, we were not party to any commodity hedging agreements.

The impact of commodity price volatility market risk as of March 31, 2023 does not differ materially from that discussed in Item 7A, "*Quantitative and Qualitative Disclosures About Market Risk*" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

Interest Rate Risk

Our strategy to reduce exposure to interest rate risk involves entering into interest rate derivative agreements to hedge against adverse movements in interest rates related to the variable rate portion of our long-term debt. We have designated these derivative instruments as highly effective cash flow hedges, and therefore the change in fair value is recorded in our stockholders' equity as a component of accumulated other comprehensive income (loss) and included in interest expense at the same time as interest expense is affected by the hedged transactions. Differences paid or received over the life of the agreements are recorded as additions to or reductions of interest expense on the underlying debt and included in cash flows from operating activities.

As of March 31, 2023, our active interest rate derivative agreements had total notional amounts of $190.0 million. According to the terms of the agreements, we receive interest based on the 1-month London Inter-Bank Offered Rate ("LIBOR") index, in some instances restricted by a 0.0% floor, and pay interest at a weighted average rate of approximately 2.20% as of March 31, 2023. The agreements mature between May 2023 and June 2027. Additionally, as of March 31, 2023, we had outstanding forward starting interest rate derivative agreements with a total notional amount of $60.0 million, $20.0 million of which we will receive interest based on the 1-month LIBOR index, restricted by a 0.0% floor, and $40.0 million of which we will receive interest based on term secured overnight financing rate, restricted by a 0.0% floor. The agreements mature in May 2028 and will pay interest at a weighted average interest rate of 2.8%.

As of March 31, 2023, we had $246.1 million of fixed rate debt in addition to the $190.0 million fixed through our interest rate derivative agreements. We had interest rate risk relating to approximately $160.0 million of long-term debt as of March 31, 2023. The weighted average interest rate on the variable rate portion of long-term debt was approximately 6.1% at March 31, 2023. Should the average interest rate on the variable rate portion of long-term debt change by 100 basis points, we estimate that our annual interest expense would change by up to approximately $1.6 million.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures. Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2023. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of March 31, 2023, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in internal controls over financial reporting. No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the three months ended March 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II.

ITEM 1. LEGAL PROCEEDINGS

General Legal Proceedings

The information required by this Item is provided in Note 8, *Commitments and Contingencies* to our consolidated financial statements included in Part I. Item 1. of this Quarterly Report on Form 10-Q.

Legal Proceedings over Certain Environmental Matters Involving Governmental Authorities with Possible Sanctions of $1,000,000 or More

Item 103 of the Securities and Exchange Commission's Regulation S-K requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings and the proceedings involve potential monetary sanctions unless we reasonably believe the monetary sanctions, exclusive of interest and costs, will not equal or exceed a specified threshold which we determine is reasonably designed to result in disclosure of any such proceeding that is material to our business or financial condition. Pursuant to Item 103, we have determined such disclosure threshold to be $1,000,000. We have no matters to disclose in accordance with that requirement.

ITEM 1A. RISK FACTORS

Our business is subject to a number of risks, including those identified in Item 1A, "*Risk Factors*" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, that could have a material effect on our business, results of operations, financial condition and/or liquidity and that could cause our operating results to vary significantly from period to period. We may disclose additional changes to our risk factors or disclose additional factors from time to time in our future filings with the Securities and Exchange Commission.

ITEM 6. EXHIBITS

Exhibit No.	Description
10.1 +	Employment Agreement between Casella Waste Systems, Inc. and Paul J. Ligon, dated as of March 6, 2012
31.1 +	Certification of John W. Casella, Principal Executive Officer, pursuant to Section 302 of the Sarbanes – Oxley Act of 2002.
31.2 +	Certification of Edmond R. Coletta, Principal Financial Officer, pursuant to Section 302 of the Sarbanes – Oxley Act of 2002.
32.1 ++	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002.
32.2 ++	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002.
101.INS	The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.**
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document.**
101.LAB	Inline XBRL Taxonomy Label Linkbase Document.**
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document.**
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.**
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.)

**	Submitted Electronically Herewith. Attached as Exhibit 101 to this report are the following formatted in inline XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets as of March 31, 2023 and December 31, 2022, (ii) Consolidated Statements of Operations for the three months ended March 31, 2023 and 2022, (iii) Consolidated Statements of Comprehensive Income for the three months ended March 31, 2023 and 2022, (iv) Consolidated Statements of Stockholders' Equity for the three months ended March 31, 2023 and 2022, (v) Consolidated Statements of Cash Flows for the three months ended March 31, 2023 and 2022, and (vi) Notes to Consolidated Financial Statements.
+	Filed Herewith
++	Furnished Herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Casella Waste Systems, Inc.

Date: April 28, 2023	By: /s/ Kevin Drohan Kevin Drohan Vice President and Chief Accounting Officer (Principal Accounting Officer)
Date: April 28, 2023	By: /s/ Edmond R. Coletta Edmond R. Coletta President and Chief Financial Officer (Principal Financial Officer)

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT, dated as of the 6th day of March, 2012 (the "Agreement"), is made by and between Casella Waste Systems, Inc., a Delaware corporation with an address of 25 Greens Hill Lane, Rutland, Vermont 05701 ("Company"), and Paul J. Ligon, an individual with an address of 23 Wind Trace Court, The Woodlands, TX 77381 ("Employee").

WHEREAS, Company is in the business of providing solid waste management, disposal, resource recovery and recycling services and related businesses; and

WHEREAS, Company and Employee are mutually desirous that Company employ Employee, and Employee accepts employment, upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements of the parties herein contained, Company and Employee, intending to be legally bound, do hereby agree as follows:

1. Duties.

1.1 During the Agreement Term (as defined below), Employee shall be the Vice President of Business Development and Strategy of Company (or such other and comparable titles and positions as shall be given Employee by the Chief Executive Officer of Company), and shall faithfully perform for Company the duties of said office. Employee shall have such corporate power and authority as are necessary to perform the duties of such office and any other office(s) that are so assigned to him. Employee shall report to the Chairman and Chief Executive Officer of Company. Employee shall devote substantially all of his business time and effort to the performance of his duties hereunder, shall use all reasonable efforts to advance the best interests of Company and shall not engage in outside business activities which materially interfere with the performance of his duties hereunder; provided, however, that, subject to Sections 5 and 6 below, nothing in this Agreement shall preclude Employee from devoting reasonable periods required for participating in professional, educational, philanthropic, public interest, charitable, social or community activities.

The duties to be performed by Employee hereunder shall be performed primarily in Rutland, Vermont, subject to reasonable travel requirements on behalf of Company.

2. Agreement Term. Company hereby employs Employee, and Employee hereby accepts such employment, for an initial term ("Initial Term") commencing March 6, 2012 and ending on the third anniversary of such date, unless sooner terminated in accordance with the provisions of Section 4. The term of this Agreement shall be automatically extended for an additional year at the expiration of the Initial Term or any succeeding term (such Initial Term and any succeeding terms being hereinafter referred to as "Agreement Term"), unless terminated by Company or Employee pursuant to the terms of Section 4 of this Agreement.

3. Compensation and Expenses.

3.1.1 Base Salary. Subject to the next sentence of this Section 3.1.1, Employee shall be compensated at the annual rate of two hundred thousand dollars ($200,000) ("Base Salary"), payable on a bi-weekly basis in accordance with Company's standard payroll procedures. The Base Salary will be subject to annual reviews in accordance with Company policy. Such reviews shall form the basis for any increase in Base Salary.

3.1.2 Initial Stock Award. Company shall grant to Employee, conditioned upon Employee's commencement of employment with Company, nine thousand (9,000) restricted stock units of Class A Common Stock of Company. All such shares shall be subject to all conditions of the current Company Incentive Stock Plan provisions (a copy of which has been or will be provided to Employee), and will vest one-third (1/3) immediately, one-third (1/3) on the first anniversary of Employee's employment with Company and one-third (1/3) on the second anniversary of such date. A Restricted Stock Award Agreement reflecting the foregoing grant and the terms of the grant, shall be executed by Company and Employee within fifteen (15) days of Employee's commencement of employment with Company as set forth in Section 2.

3.2 Incentive Compensation. In addition to the Base Salary, on an annual basis, subject to annual reviews in accordance with Company policy, and also subject to the overall performance of Company, Employee shall be eligible but not guaranteed to receive a bonus ("Bonus") consisting of (i) a cash bonus of up to sixty percent (60%) of Employee's Base Salary, (ii) issuance of additional stock options or restricted stock units ("RSU's")of Company or (iii) a combination of both cash and stock options in an amount to be determined prior to the conclusion of each fiscal year of Company during the Agreement Term in the sole discretion of the Compensation Committee of the Board (the "Compensation Committee"). Should a cash Bonus be payable to Employee, it is expected that it will be based on an initial review during June 2013, and payable shortly thereafter, and at similar time frames during the Agreement Term (and in any event no later than 2 ½ months after the end of the later of the Employer's fiscal year or Employee's taxable year during which the Bonus was earned).

3.3.1 Business Expenses. Upon submission of appropriate invoices or vouchers, Company shall pay or reimburse Employee for all reasonable and necessary expenses actually incurred or paid by him during the Agreement Term in the performance of his duties hereunder.

3.3.2 Relocation and Temporary Living and Commuting Expenses. Employee will relocate to the greater Rutland, Vermont area in order to be employed in the Rutland, Vermont headquarters of Company. Employee shall conclude such relocation within eight (8) months of the date of this Agreement. During this period, Company shall reimburse Employee for all temporary living and commuting expenses for Employee and his family. To assist Employee with his relocation expenses, Company shall pay Employee one hundred thousand dollars ($100,000.00) upon the conclusion of Employee's relocation, provided that, to clarify the payment timing, this payment, in the nature of a bonus, shall be paid, if earned by relocation, no later than two and a half months after the end of the later to end, of the Company's fiscal year and Employee's tax year during which the relocation is concluded. Additionally, should Employer relocate to the Rutland, Vermont area within eight (8) months of the date of this Agreement, and should Employee not be able to resell his current place of residence in The Woodlands, Texas, the Company shall reimburse Employee on a dollar for dollar basis for a period not to exceed eight (8) months from the date of this Agreement, for his mortgage and escrow payments on his residence in Texas.

3.4 Participation in Benefit Plans. Subject to each plan's Employee eligibility and contribution requirement, Employee shall be entitled to immediately participate in any health benefit or other employee benefit plans available to Company's senior executives as in effect from time to time, including, without limitation, any qualified or non-qualified pension, profit sharing and savings plans, any death and disability benefit plans, any medical, dental, health and welfare plans and any stock purchase programs, on terms and conditions at least as favorable as provided to other senior executives of Company, and to continue to participate in them during the Severance Benefit Term (as defined in Section 4.4.1(g), if applicable), in each case to the extent that he may be eligible to do so under the applicable provisions of any such plan and applicable law. Following the termination of Employee hereunder or the expiration of the Severance Benefit Term (if applicable), Employee and his eligible dependents shall be eligible for health care continuation under the Consolidated Omnibus Reconciliation Act of 1985 ("COBRA") to the extent authorized by law and at Employee's own cost.

3.5 Vacation. Employee shall be entitled to three (3) weeks of annual vacation and shall be subject to the Company's standard holiday schedule. Unused vacation shall not be carried over into any subsequent year during the Agreement Term. Company shall have no obligation to pay Employee for any unused vacation.

3.6 Fringe Benefits and Perquisites. Employee shall be entitled to a monthly auto allowance of six hundred dollars ($600.00) per month; as well as any fringe benefits and perquisites that are generally made available to senior executives of Company from time to time and that are approved by the Compensation Committee.

4. Termination. Employee's employment hereunder may be terminated only under the following circumstances:

4.1 Death. Employee's employment hereunder shall terminate upon his death, in which event Company shall pay to Employee's written designee or, if he has no written designee, to his spouse or, if he leaves no spouse and has no written designee, to his estate, (i) Severance and the Acceleration Payment immediately upon death, and (ii) all reasonable expenses actually incurred or paid by Employee in the performance of his duties hereunder prior to the date of death.

4.2 Disability. Company may terminate Employee's employment hereunder if (i) as a result of Employee's incapacity due to physical or mental illness, Employee shall have been absent from his duties hereunder on a full-time basis for an aggregate of one hundred eighty (180) consecutive or non-consecutive business days in any twelve (12) consecutive-month period and (ii) within ten (10) days after written notice of termination hereunder is given by Company, Employee shall not have returned to the performance of his duties hereunder on a full-time basis. The determination of incapacity or disability under the preceding sentence shall be made in good faith by Company based upon information supplied by a physician selected by Company or its insurers and reasonably acceptable to Employee or his legal representative. During any period that Employee fails to perform his duties hereunder as a result of incapacity due to physical or mental illness (the "Disability Period"), Employee shall continue to receive his full Base Salary hereunder until his employment is terminated pursuant to this Section 4.2, provided that amounts payable to Employee shall be reduced by the sum of the amounts, if any, paid to Employee during the Disability Period under any disability benefit plans of Company. If Employee is terminated pursuant to this Section 4.2, Company shall pay to Employee (or his legal representative): (i) Severance, payable as described in Section 4.4.1(e), (ii) the Acceleration Payment, payable as described in Section 4.4.1(b), (iii) Severance Benefits for the Severance Benefit Term, and (iv) all reasonable expenses actually incurred or paid by Employee in the performance of his duties hereunder prior to the date of termination due to disability.

4.3 Termination by Company.

4.3.1 Termination by Company for Cause. Company shall have "Cause" to terminate Employee's employment hereunder upon Employee (A) being convicted of a crime involving Company (other than pursuant to actions taken at the direction or with the approval of the Board), (B) having engaged in (1) willful misconduct which has a material adverse effect on Company, (2) willful or gross neglect or behavior which has a material adverse effect on Company, (3) fraud, (4) misappropriation or (5) embezzlement in the performance of his duties hereunder, or (C) having breached in any material respect the material terms and provisions of this Agreement and failed to cure such breach within fifteen (15) days following written notice from Company specifying such breach. In the event Employee's employment is terminated by Company for "Cause", Employee shall be entitled to continue to receive Base Salary accrued but unpaid and expenses incurred but not repaid to Employee, in each case only until the effective date of such termination.

4.3.2 Termination by Company other than for Cause. In the event Employee's employment is terminated by Company other than for Cause, Employee shall be entitled to (i) Severance, payable as described in Section 4.4.1(e), (ii) the Acceleration Payment payable as described in Section 4.4.1(b), (iii) Severance Benefits for the Severance Benefit Term, and (iv) the accelerated vesting at the time of termination of any stock options or restricted stock units or equity grants (with respect to which payment, if any, also shall be made upon such vesting) issued by Company to Employee, provided that the accelerated vesting will only accelerate payment under clause (iv) where permitted by Section 409A (as defined below).

4.4 Termination by Employee.

4.4.1 Definitions. For purposes of this Agreement, the following terms shall have the respective meanings set forth below:

(a) "Affiliate" means, with respect to Company, any entity directly or indirectly controlled, controlling or under common control with Company.

(b) "Acceleration Payment" means an amount in cash equal to the value of (i) any Base Salary accrued but unpaid prior to the date of termination, (ii) Bonus accrued but unpaid prior to the date of termination and (iii) any vacation accrued but unused prior to the date of termination. The Acceleration Payment shall be payable in a lump sum immediately upon termination, subject to Section 11. The Acceleration Payment is not "deferred compensation" within the meaning of Section 409A (as defined below).

(c) "Good Reason" means the occurrence of one or more of the following conditions: the assignment to Employee of any duties inconsistent with his status as Vice President of the Company, a material adverse alteration in the nature or status of his responsibilities from those provided herein or the transfer of a significant portion of such responsibilities to one or more third persons, a material diminution in Employee's compensation, provided that Employee has given Company notice within ninety (90) days of the initial existence of the condition, Company has not remedied the condition within thirty (30) days after receiving such notice and Employee actually terminates within one hundred eighty (180) days of the initial existence of such condition.

(e) "Severance" means the sum of: (i) one (1) time the highest Base Salary that was paid to Employee at any time prior to termination by Employee for Good Reason or prior to when Employee's employment is terminated by Company other than for "Cause"; and (ii) one (1) time sixty percent (60%) of the highest Base Salary used in clause (i). Severance due under (i) shall be paid bi-weekly in accordance with Company payroll procedures, commencing immediately upon termination, and Severance due under (ii) shall be paid in a lump sum within sixty (60) days of the date of Employee's termination, in all cases subject to Section 11 and, to the extent applicable, Section 20, and less applicable Employee payroll deductions. Severance payable under clause (i) is intended to, and shall be construed to, fit within the short-term deferral and separation pay exceptions to Section 409A to the maximum permissible extent and each installment payment thereof shall be treated as a separate payment. Severance payable under clause (ii) is intended to, and shall be construed to, fit within the short-term deferral exception to Section 409A.

(f) "Severance Benefits" means the group medical, dental, disability and life insurance benefits contemplated by Section 3.4 of this Agreement. The Severance Benefits are intended to, and shall be construed to, fit within the short-term deferral and separation pay exceptions to Section 409A to the maximum permissible extent and each installment thereof shall be treated as a separate payment for purposes of Section 409A.

(g) "Severance Benefit Term" means one (1) year from the date Employee terminates his employment for Good Reason, or Employee's employment is terminated by Company other than for Cause.

(h) "Section 409A" means Section 409A of the Internal Revenue Code of 1986, and the regulations issued thereunder, as each may be amended from time to time.

4.4.2 Termination by Employee for Good Reason. At the election of Employee, Employee may terminate his employment for Good Reason immediately upon written notice to Company; provided, however, that Employee must make such election to terminate his employment for Good Reason within ninety (90) days of his becoming aware of the occurrence of such event that qualifies as Good Reason under Section 4.4.1(d) of this Agreement. If during the Agreement Term Employee's employment is terminated by Employee for Good Reason, Employee shall be entitled to receive from Company (i) Severance, payable as described in Section 4.4.1(e), (ii) the Acceleration Payment payable as described in Section 4.4.1(b), , (iii) Severance Benefits for the Severance Benefit Term, (iv) the accelerated vesting at the time of termination of any stock options or equity grants (such as Restricted Stock Units, with respect to which payment also shall be made upon such vesting) issued by Company to Employee, and (v) a cash payment in an amount equal to the amount of any excise tax imposed on Employee under Section 4999 of the Internal Revenue Code of 1986, as amended ("Section 4999"), increased by the additional federal and state income taxes on such amount, such that, after payment of this additional cash payment, Employee's Severance, Acceleration Payment and Severance Benefits after federal and state income taxes are equal to the amount that Employee would have received but for the imposition of the excise tax under Section 4999. Any payment pursuant to clause (v) shall be made no later than December 31 of the year following the year in which Employee remits the related taxes.

4.4.3 Termination by Employee for other than Good Reason. Upon forty five (45) days' prior written notice, Employee may terminate his employment with Company other than for Good Reason. If Employee voluntarily terminates his employment with Company other than for Good Reason, no further payment shall be due Employee pursuant to Sections 3 or 4 above (other than payments for accrued and unpaid Base Salary and expenses incurred but not previously paid to Employee, in each case prior to such termination), however the indemnification provisions pursuant to Section 10 hereof shall survive any termination of employment of Employee hereunder.

4.5 Effect of Termination on Certain Obligations. No termination of the employment of Employee by either Company or Employee, whether for Good Reason or without Cause or for Cause, shall terminate, affect or impair any of the obligations or rights of the parties set forth in Sections 4, 5, 6, 7, 8, 10 and 21 of this Agreement, all of which obligations and rights shall survive any termination of employment of Employee hereunder.

5. Covenant Not to Disclose Confidential Information. During the Agreement Term, and for a period of two (2) years thereafter, Employee acknowledges that during the course of his affiliation with Company he has or will have access to and knowledge of certain information and data which Company considers confidential and/or proprietary and the release of such information or data to unauthorized persons would be extremely detrimental to Company. As a consequence, Employee hereby agrees and acknowledges that he owes a duty to Company not to disclose, and agrees that without the prior written consent of Company, at any time, either during or after his employment with Company, he will not communicate, publish or disclose, to any person anywhere, or use, any Confidential Information (as hereinafter defined), except as may be necessary or appropriate to conduct his duties hereunder, provided Employee is acting in good faith and in the best interest of Company. Employee will use all reasonable efforts at all times to hold in confidence and to safeguard any Confidential Information from falling into the hands of any unauthorized person and, in particular, will not permit any Confidential Information to be read, duplicated or copied. Employee will return to Company all Confidential Information in Employee's possession or under Employee's control when the duties of Employee no longer require Employee's possession thereof, or whenever Company shall so request, and in any event will promptly return all such Confidential Information if Employee's employment with Company is terminated for any or no reason and will not retain any copies thereof. For purposes hereof, the term "Confidential Information" shall mean any information or data used by or belonging or relating to Company whether communication is verbal or in writing that is not known generally to the industry in which Company is or may be engaged, including without limitation, any and all trade secrets, proprietary data and information relating to Company's business and products, intellectual property, patents, or copyrightable works, price list, customer lists, processes, procedures or standards, know-how, manuals, business strategies, records, drawings, specifications, designs, financial information, whether or not reduced to writing, or information or data which Company advises Employee should be treated as Confidential Information.

6. Covenant Not to Compete and Non-Solicitation and Non-Disparagement. Employee acknowledges that he, at the expense of Company, has been and will be specially trained in the business of Company, has established and will continue to establish favorable relations with the customers, clients and accounts of Company and will have access to trade secrets of Company. Therefore, in consideration of the compensation paid Employee hereunder, and of such training and relations and to further protect trade secrets, directly or indirectly, of Company, Employee agrees that during the term of his employment by Company, and for a period of one (1) year from and after the voluntary or involuntary termination of such employment for any or no reason, he will not, directly or indirectly, without the express written consent of Company:

(a) own or have any interest in or act as an officer, director, partner, principal, employee, agent, representative, consultant or independent contractor of, or in any way assist in, any business located in or doing business in the United States of America or Canada in any area within one hundred (100) miles of any facility of Company during the term of Employee's employment, by Company, which is engaged, directly or indirectly, in (i) the solid waste processing, disposal and management business, (ii) the utilization of recyclable materials business or (iii) any other business Company is engaged in or proposes to engage in on the date this Agreement, or subsequently, at the date of termination of this Agreement, including, without limitation, businesses in the nature of, or relating to, sustainability programs, waste reduction, the creation of power or fuels out of waste, landfill gas to energy or gasification businesses, waste water treatment facilities (the businesses described in clauses (a)(i), (ii) and (iii) are collectively referred to as the "Competitive Businesses"); provided, however, that notwithstanding the above, Employee may own, directly or indirectly, solely as an investment, securities of any such person which are traded on any national securities exchange or NASDAQ if Employee (A) is not a controlling person of, or a member of a group which controls, such person and (B) does not, directly or indirectly, own 5% or more of any class of securities of such person;

(b) solicit clients, customers (who are or were customers of Company, or were prospects to be customers of Company, within the twelve (12) months prior to termination) or accounts of Company for, on behalf of or otherwise related to any such Competitive Businesses or any products related thereto; or

(c) solicit, employ or in any manner influence or encourage any person who is or shall be in the employ or service of Company to leave such employ or service.

Furthermore, the terms of this covenant not to compete shall be enforceable against Employee only to the extent that after termination of Employee's employment, Company continues to pay Employee any and all Severance Benefits, Severance and the Acceleration Payment as required under Section 4 of this Agreement. Furthermore, if any court determines that the covenant not to compete, or any part thereof, is unenforceable because of the duration of such provision or the geographic area or scope covered thereby, such court shall have the power to reduce the duration, area or scope of such provisions and, in its reduced form, such provision shall then be enforceable and shall be enforced

7. Assignment of Inventions and Work. Employee hereby agrees to disclose in writing to Company any Inventions or copyrightable Works, which are conceived, made, discovered, written or created by Employee, alone and/or in combination with others, during Employee's employment with Company, and that Employee will, voluntarily and without additional consideration, assign Employee's rights and title to such Inventions or Works to Company. This assignment of Inventions or Works relates only to Inventions or Works which are directly related to the businesses of Company.

8. Specific Performance. Recognizing that irreparable damage will result to Company in the event of the breach or threatened breach of any of the foregoing covenants and assurances by Employee contained in Sections 5, 6 or 7 hereof, and that Company's remedies at law for any such breach or threatened breach will be inadequate, Company and its successors and assigns, in addition to such other remedies which may be available to them, shall be entitled to an injunction, including a mandatory injunction, to be issued by any court of competent jurisdiction ordering compliance with this Agreement or enjoining and restraining Employee, and each and every person, firm or company acting in concert or participation with him, from the continuation of such breach.

9. Potential Unenforceability of Any Provision. Employee acknowledges and agrees that he has had an opportunity to seek advice of counsel in connection with this Agreement. If a final judicial determination is made that any provision of this Agreement is an unenforceable restriction against Employee or Company, the provisions hereof shall be rendered void only to the extent that such judicial determination finds such provisions unenforceable, and such unenforceable provisions shall automatically be reconstituted and became a part of this Agreement, effective as of the date first written above, to the maximum extent in favor of Company (in the case of an Employee breach) or Employee (in the case of a Company breach) that is lawfully enforceable. A judicial determination that any provision of this Agreement is unenforceable shall in no instance render the entire Agreement unenforceable, but rather the Agreement will continue in full force and effect absent any unenforceable provision to the maximum extent permitted by law.

10. Indemnification. Company agrees that, except as limited by Company's Certificate of Incorporation or By-Laws (as either or both may be amended from time to time), or applicable law, Company shall indemnify Employee (and promptly advance expenses as may be required) to the fullest extent permitted by applicable law in effect on the date hereof and to such greater extent as applicable law may thereafter from time to time permit. Employee shall be entitled to this indemnification if by reason of his employment or by any reason of anything done or not done by Employee in any such capacity he is or is threatened to be made, a party to any threatened, pending, or completed Proceeding (as defined herein). Employee will be indemnified to the full extent permitted by applicable law against expenses, judgments, penalties, fines and amounts paid in settlement (including all interest assessments and other charges paid or payable in connection with or in respect of such expenses, judgments, fines, penalties or amounts paid in settlement) actually and reasonably incurred by him or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of Company, and, with respect to any criminal Proceeding, had no reasonable cause to believe his conduct was unlawful. "Proceeding" includes any threatened, pending, or completed claim, action, suit, arbitration, alternate dispute resolution mechanism, administrative hearing, appeal, inquiry or investigation, whether civil, criminal, administrative, arbitrative, investigative, or other (whether instituted by Company or any other party), or any inquiry or investigation that Employee in good faith believes might lead to the institution of any such action, suit or proceeding whether civil, criminal, administrative, investigative, or other, including any action, suit arbitration, alternate dispute resolution mechanism, administrative hearing, appeal, or any inquiry or investigation pending on or prior to the date hereof or initiated by Employee to enforce his rights under this indemnification section of this Agreement. This indemnification and the advancement of expenses shall include attorney's fees and other reasonable expenses incurred by Employee pursuant to this clause. In the event that there is a potential conflict of interest between Employee and Company, Employee may select his own counsel (and still be entitled to the benefit of this indemnification). Employee must submit written requests for payment pursuant to the Section 10 within one hundred twenty (120) days after Employee incurs any expenses or other amounts under this Section 10. Payment or reimbursement shall be governed by Section 20. This indemnification clause shall survive the termination of this Agreement.

11. General Release. Employee recognizes, understands and agrees that the provision of this Agreement by Company, and its terms of employment, as well as its terms of Severance, Severance Benefits and the Acceleration Payment are generous and extraordinary, and that in consideration thereof, Employee agrees in this Agreement that in advance of and as a condition to the receipt of such Severance Benefits, Severance and the Acceleration Payment, if any, Employee will execute a General Release in a form mutually satisfactory to Company and Employee, but in any case, including appropriate releases for all claims or demands Employee may have against Company for violation of any laws, rules, regulations, orders or decrees established to protect

the rights of employees pursuant to anti-discrimination laws and including all protections afforded to Employee relative to the execution and revocation of such a General Release. Employee understands and agrees that no Severance Benefits or Severance and the Acceleration Payment will be made to Employee unless, and until Employee and Company execute such a General Release, and Employee's rights to revoke such General Release have expired or have been extinguished as a matter of law. Such General Release must be executed and submitted to Company within sixty (60) days following termination of employment. Payment of amounts exempt from Section 409A shall be made (or shall begin, as the case may be) immediately upon the expiration of the revocation period, as shall the payment of any amounts that constitute "deferred compensation" within the meaning of Section 409A (subject to any delay under Section 20 and also provided that if the sixty (60) day period ends in the calendar year subsequent to the year containing the termination of employment, the payment of deferred compensation shall not be made or being earlier than the first business day in that subsequent year).

12. Corporate Authority. Company represents and warrants to Employee that (a) Company has all necessary power and authority to enter into, and be bound by the terms of, this Agreement, (b) the execution, delivery, and performance of the undertakings contemplated by the Agreement have been duly authorized by Company, and (c) this Agreement shall be a legal, valid and binding obligation of Company, enforceable against Company in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the enforcement of creditors rights generally.

13. Notice. Any notice or other communication hereunder shall be in writing and shall be mailed or delivered to the respective parties hereto as follows:

(a) If to Company:

Casella Waste Systems, Inc.
25 Greens Hill Lane
Rutland, VT 05701
Attention: Senior Vice President and General Counsel

(b) If to Employee:

Paul J. Ligon
Vice President of Business Development and Strategy
25 Greens Hill Lane, Rutland, VT 05701

The addresses of either party hereto above may be changed by written notice to the other party.

14. Amendment; Waiver. This Agreement may be amended, modified, superseded, cancelled, renewed or extended and the terms of covenants hereof may be waived, only by written instrument executed by the party against whom such modification or waiver is sought to be enforced. The failure of either party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by either party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, in anyone or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such breach, or a waiver of the breach of any other term or covenant in this Agreement.

15. Benefit and Binding Effect. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of Company, but shall be personal to and not assignable by Employee. The obligations of Company hereunder are personal to Employee or where applicable to his spouse or estate, and shall be continued only so long as Employee shall be personally discharging his duties hereunder. Company may assign its rights, together with its obligations, to any corporation which is a direct or indirect wholly-owned subsidiary of Company; provided, however, that Company shall not be released from its obligations hereunder without the prior written consent of Employee, which consent shall not be unreasonably withheld.

16. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF VERMONT REGARDLESS OF THE LAWS THAT MIGHT BE APPLICABLE UNDER PRINCIPLES OF CONFLICTS OF LAW.

17. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original but all such counterparts together shall constitute one and the same instrument. Each counterpart may consist of two copies hereof each signed by one of the parties hereto.

18. Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

19. Entire Agreement. This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof, superseding all negotiations, prior discussions and preliminary agreements. No subsequent modifications may be made to this Agreement except by signed writing of the parties.

20. Compliance with Section 409A.

Payments and benefits under this Agreement are intended to be exempt from Section 409A to the maximum possible extent and, to the extent not exempt, are intended to comply with the requirements of Section 409A. The provisions of this Agreement shall be construed in a manner consistent with such intent.

With respect to any "deferred compensation" within the meaning of Section 409A that is payable or commences to be payable under this Agreement solely by reason of Employee's termination of employment, such amount shall be payable or commence to be payable as soon as, and no later than, Employee experiences a "separation from service" as defined in Section 409A, subject to Section 11 of the Agreement and subject to the six-month delay described below, if applicable. In addition, nothing in the Agreement shall require Company to, and Company shall not, accelerate the payment of any amount that constitutes "deferred compensation" except to the extent permitted under Section 409A.

If Employee is a "Specified Employee" within the meaning of Section 409A at the time his employment terminates and any amount payable to Employee by virtue of his separation from service constitutes "deferred compensation" within the meaning of Section 409A, any such amounts that otherwise would be payable during the first six months following separation from service shall be delayed and accumulated for a period of six months and paid in a lump sum on the first day of the seventh month. Amounts exempt from Section 409A shall not be so delayed. The Severance and Severance Benefits described in Section 4.4.1 of the Agreement are intended to, and shall be construed to, fit within the short-term deferral and separation pay exceptions to Section 409A to the maximum permissible extent and each installment thereof shall be treated as a separate payment for such purposes.

Any reimbursements or in-kind benefits provided to Employee shall be administered in accordance with Section 409A, such that: (a) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during one year shall not affect the expenses eligible for reimbursement or the in-kind benefits provided in any other year; (b) reimbursement of eligible expenses shall be made on or before December 31 of the year following the year in which the expense was incurred; and (c) the right to reimbursement or in-kind benefits shall not be subject to liquidation or to exchange for another benefit.

21. AGREEMENT TO ARBITRATE

The undersigned parties agree that any disputes that may arise between them (including but not limited to any controversies or claims arising out of or relating to this Agreement or any alleged breach thereof, and any dispute over the interpretation or scope of this arbitration clause) shall be settled by arbitration by a single arbitrator agreed to by the parties, or if one cannot be agreed to by the parties, then by a three (3) person arbitration panel which is selected by the party of the first party, the second member chosen by the party of the second party, and the third member being selected by the first two arbitrators as previously selected by the parties. The arbitrator(s) shall administer the arbitration in accordance with the American Arbitration Association, Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. No party shall be entitled to punitive, consequential or treble damages. The arbitrator(s) selection process shall be concluded by the parties within sixty (60) days of a party's Notice of Arbitration.

ACKNOWLEDGMENT OF ARBITRATION PURSUANT TO 12 V.S.A. § 5651 et seq. THE PARTIES HERETO ACKNOWLEDGE THAT THIS DOCUMENT CONTAINS AN AGREEMENT TO ARBITRATE. AFTER SIGNING THIS DOCUMENT EACH PARTY UNDERSTANDS THAT HE WILL NOT BE ABLE TO BRING A LAWSUIT CONCERNING ANY DISPUTE THAT MAY ARISE WHICH IS COVERED BY THIS ARBITRATION AGREEMENT EXCEPT AS PROVIDED IN THIS PARAGRAPH OR UNLESS IT INVOLVES A QUESTION OF CONSTITUTIONAL LAW OR CIVIL RIGHTS. INSTEAD EACH PARTY HAS AGREED TO SUBMIT ANY SUCH DISPUTE TO AN IMPARTIAL ARBITRATOR.

IN WITNESS WHEREOF, all parties have set their hand and seal to this Agreement and Acknowledgement of Arbitration pursuant to 12 V .S.A. § 5651 et seq. as of the dates written below:

PAUL J. LIGON

Witness: Shelley S. Field

Date: March 6, 2012

Date: 3/6/12

CASELLA WASTE SYSTEMS, INC.

Witness: Shelley S. Field

Date: March 6, 2012

By:

Name: John W. Casella

Date: March 6, 2012

EXHIBIT 31.1

CERTIFICATION

I, John W. Casella, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Casella Waste Systems, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2023

By: /s/ John W. Casella
John W. Casella
Chairman and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Edmond R. Coletta, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Casella Waste Systems, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2023

By: /s/ Edmond R. Coletta
Edmond R. Coletta
President and Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Casella Waste Systems, Inc. for the period ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof ("Report"), the undersigned, John W. Casella, Chairman and Chief Executive Officer, hereby certifies, pursuant to 18 U.S.C. Section 1350, that, to his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, our financial condition and results of operations.

Date: April 28, 2023	By: /s/ John W. Casella
	Chairman and Chief Executive Officer
	(Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Casella Waste Systems, Inc. for the period ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof ("Report"), the undersigned, Edmond R. Coletta, President and Chief Financial Officer, hereby certifies, pursuant to 18 U.S.C. Section 1350, that, to his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, our financial condition and results of operations.

Date: April 28, 2023	By: /s/ Edmond R. Coletta
	President and Chief Financial Officer
	(Principal Financial Officer)