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 September 30, 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 October 15, 2023:

Class A common stock, $0.01 par value per share:	56,994,524
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)

	September 30, 2023 (Unaudited)	December 31, 2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 219,089	$ 71,152
Accounts receivable, net of allowance for credit losses of $3,703 and $3,016, respectively	140,332	100,886
Refundable income taxes	3,726	—
Prepaid expenses	20,448	15,182
Inventory	17,519	13,472
Other current assets	12,227	6,787
Total current assets	413,341	207,479
Property, plant and equipment, net of accumulated depreciation and amortization of $1,136,955 and $1,064,756, respectively	935,402	720,550
Operating lease right-of-use assets	103,116	92,063
Goodwill	737,150	274,458
Intangible assets, net	256,689	91,783
Restricted cash and assets	4,658	1,900
Cost method investments	10,967	10,967
Deferred income taxes	6,604	22,903
Other non-current assets	30,088	27,112
Total assets	$ 2,498,015	$ 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)

	September 30, 2023 (Unaudited)	December 31, 2022
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of debt	$ 33,957	$ 8,968
Current operating lease liabilities	8,626	7,000
Accounts payable	100,108	74,203
Accrued payroll and related expenses	20,753	23,556
Accrued interest	3,719	2,858
Contract liabilities	18,852	3,742
Current accrued final capping, closure and post-closure costs	13,155	11,036
Other accrued liabilities	54,014	46,237
Total current liabilities	253,184	177,600
Debt, less current portion	1,012,169	585,015
Operating lease liabilities, less current portion	68,584	57,345
Accrued final capping, closure and post-closure costs, less current portion	104,401	102,642
Deferred income taxes	516	437
Other long-term liabilities	28,294	28,276
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Class A common stock, $0.01 par value per share; 100,000,000 shares authorized; 56,994,000 and 50,704,000 shares issued and outstanding, respectively	570	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	1,165,517	661,761
Accumulated deficit	(144,710)	(171,920)
Accumulated other comprehensive income, net of tax	9,480	7,542
Total stockholders' equity	1,030,867	497,900
Total liabilities and stockholders' equity	$ 2,498,015	$ 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 September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
Revenues	$ 352,735	$ 295,268	$ 904,975	$ 812,962
Operating expenses:				
Cost of operations	226,303	190,285	592,865	538,779
General and administration	41,177	34,348	112,721	97,702
Depreciation and amortization	47,736	32,527	116,095	93,106
Expense from acquisition activities	3,261	816	9,801	3,878
Southbridge Landfill closure charge	70	245	276	563
Legal settlement	—	—	6,150	—
Environmental remediation charge	—	759	—	759
	318,547	258,980	837,908	734,787
Operating income	34,188	36,288	67,067	78,175
Other expense (income):				
Interest income	(5,525)	(178)	(7,820)	(260)
Interest expense	15,748	6,177	31,708	17,078
Loss from termination of bridge financing	—	—	8,191	—
Other income	(225)	(1,523)	(1,019)	(1,978)
Other expense, net	9,998	4,476	31,060	14,840
Income before income taxes	24,190	31,812	36,007	63,335
Provision for income taxes	6,018	9,140	8,797	18,677
Net income	$ 18,172	$ 22,672	$ 27,210	$ 44,658
Basic earnings per share attributable to common stockholders:				
Weighted average common shares outstanding	57,962	51,677	54,228	51,604
Basic earnings per common share	$ 0.31	$ 0.44	$ 0.50	$ 0.87
Diluted earnings per share attributable to common stockholders:				
Weighted average common shares outstanding	58,062	51,806	54,325	51,749
Diluted earnings per common share	$ 0.31	$ 0.44	$ 0.50	$ 0.86

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 September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income	$ 18,172	$ 22,672	$ 27,210	$ 44,658
Other comprehensive income, before tax:				
Hedging activity:				
Interest rate swap settlements	1,763	(129)	4,108	(2,224)
Interest rate swap (income) loss reclassified into interest expense	(1,805)	14	(4,181)	2,136
Unrealized gain resulting from changes in fair value of derivative instruments	2,621	5,493	2,738	17,362
Other comprehensive income, before tax	2,579	5,378	2,665	17,274
Income tax provision related to items of other comprehensive income	707	1,468	727	4,241
Other comprehensive income, net of tax	1,872	3,910	1,938	13,033
Comprehensive income	$ 20,044	$ 26,582	$ 29,148	$ 57,691

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
Issuance of Class A common stock - equity offering, net of stock issuance costs	496,238	6,053	61	—	—	496,177	—	—
Issuances of Class A common stock	799	23	—	—	—	799	—	—
Stock-based compensation	2,366	—	—	—	—	2,366	—	—
Comprehensive income:								
Net income	5,490	—	—	—	—	—	5,490	—
Other comprehensive income:								
Hedging activity	1,835	—	—	—	—	—	—	1,835
Balance, June 30, 2023	1,008,383	56,974	570	988	10	1,163,077	(162,882)	7,608
Issuance of Class A common stock - stock issuance costs	(7)	—	—	—	—	(7)	—	—
Issuances of Class A common stock	89	20	—	—	—	89	—	—
Stock-based compensation	2,358	—	—	—	—	2,358	—	—
Comprehensive income:								
Net income	18,172	—	—	—	—	—	18,172	—
Other comprehensive income:								
Hedging activity	1,872	—	—	—	—	—	—	1,872
Balance, September 30, 2023	$ 1,030,867	56,994	$ 570	988	$ 10	$ 1,165,517	$ (144,710)	$ 9,480

		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
Issuances of Class A common stock	803	40	1	—	—	802	—	—
Stock-based compensation	937	—	—	—	—	937	—	—
Comprehensive income:								
Net income	17,796	—	—	—	—	—	17,796	—
Other comprehensive income:								
Hedging activity	2,980	—	—	—	—	—	—	2,980
Balance, June 30, 2022	457,566	50,690	507	988	10	656,042	(203,013)	4,020
Issuances of Class A common stock	—	2	—	—	—	—	—	—
Stock-based compensation	2,411	—	—	—	—	2,411	—	—
Comprehensive income:								
Net income	22,672	—	—	—	—	—	22,672	—
Other comprehensive income:								
Hedging activity	3,910	—	—	—	—	—	—	3,910
Balance, September 30, 2022	$ 486,559	50,692	$ 507	988	$ 10	$ 658,453	$ (180,341)	$ 7,930

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)

	Nine Months Ended September 30,	
	2023	2022
Cash Flows from Operating Activities:		
Net income	$ 27,210	$ 44,658
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	116,095	93,106
Interest accretion on landfill and environmental remediation liabilities	7,470	6,018
Amortization of debt issuance costs	2,221	1,414
Stock-based compensation	6,699	5,589
Operating lease right-of-use assets expense	10,956	10,405
Disposition of assets, other items and charges, net	279	(282)
Loss from termination of bridge financing	8,191	—
Deferred income taxes	5,233	13,819
Changes in assets and liabilities, net of effects of acquisitions and divestitures:		
Accounts receivable	(23,298)	(14,230)
Landfill operating lease contract expenditures	(3,336)	(3,336)
Accounts payable	24,568	7,946
Prepaid expenses, inventories and other assets	(10,112)	(5,799)
Accrued expenses, contract liabilities and other liabilities	(14,351)	(6,877)
Net cash provided by operating activities	157,825	152,431
Cash Flows from Investing Activities:		
Acquisitions, net of cash acquired	(847,763)	(73,963)
Additions to property, plant and equipment	(90,364)	(87,667)
Proceeds from sale of property and equipment	971	571
Net cash used in investing activities	(937,156)	(161,059)
Cash Flows from Financing Activities:		
Proceeds from debt borrowings	465,000	82,200
Principal payments on debt	(18,563)	(57,407)
Payments of debt issuance costs	(12,759)	(1,232)
Payments of contingent consideration	—	(1,000)
Proceeds from the exercise of share based awards	89	192
Proceeds from the public offering of Class A common stock	496,231	—
Net cash provided by financing activities	929,998	22,753
Net increase in cash and cash equivalents	150,667	14,125
Cash, cash equivalents and restricted cash, beginning of period	71,152	33,809
Cash, cash equivalents and restricted cash, end of period	$ 221,819	$ 47,934
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period for:		
Cash interest payments	$ 28,626	$ 14,750
Cash income tax payments	$ 9,689	$ 2,875
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Non-current assets obtained through long-term financing obligations	$ 8,053	$ 9,420
Right-of-use assets obtained in exchange for operating lease obligations	$ 18,558	$ 7,672

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 nine states: Vermont, New Hampshire, New York, Massachusetts, Connecticut, Maine, Pennsylvania, Delaware and Maryland, with our headquarters located in Rutland, Vermont. On June 30, 2023, we acquired the equity interests of four wholly owned subsidiaries of GFL Environmental Inc. ("GFL Subsidiaries"), which are the basis of our newly formed regional operating segment, the Mid-Atlantic region, that expanded our integrated solid waste services into the states of Delaware and Maryland ("GFL Acquisition"). See Note 4, *Business Combinations* for further disclosure. Operations under the Mid-Atlantic region commenced on July 1, 2023. The GFL Acquisition was funded from financing transactions (see Note 7, *Debt* for further disclosure), the net proceeds from an equity offering completed June 16, 2023 (see Note 9, *Stockholders’ Equity* for further disclosure), and cash on hand.

We manage our solid waste operations on a geographic basis through regional operating segments, the Eastern, Western and Mid-Atlantic regions, each of which provides a comprehensive 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, including normal recurring and nonrecurring adjustments, as applicable, necessary for a fair presentation of the financial position, results of operations and cash flows for the periods presented. The results for the three and nine months ended September 30, 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.

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 September 30, 2023 through the date of filing of the consolidated financial statements with the SEC on this Quarterly Report on Form 10-Q and determined that there have been no material events that have occurred that would require recognition or adjustments to our disclosures in our consolidated financial statements.

2. ACCOUNTING CHANGES

The following table provides a brief description of a recent Accounting Standards Update ("ASU") 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.	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 quarter ended March 31, 2023, we elected optional expedients under this guidance that allowed us 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, the second amendment, dated as of February 9, 2023, and the third amendment, dated as of April 25, 2023, collectively with the specified acquisition loan joinder, dated May 25, 2023 ("Loan Joinder") (the "Amended and Restated Credit Agreement") until we transitioned our interest rate derivative agreements from LIBOR to term secured overnight financing rate ("Term SOFR") in the quarter ended June 30, 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 and nine months ended September 30, 2023 and 2022:

Three Months Ended September 30, 2023

	Eastern	Western	Mid-Atlantic (1)	Resource Solutions	Total Revenues
Collection	$ 68,944	$ 93,924	$ 43,225	$ —	$ 206,093
Landfill	7,588	18,563	—	—	26,151
Transfer station	16,963	17,491	497	—	34,951
Transportation	1,328	3,907	—	—	5,235
Landfill gas-to-energy	208	1,589	—	—	1,797
Processing	2,476	545	—	27,782	30,803
National Accounts	—	—	—	47,705	47,705
Total revenues	$ 97,507	$ 136,019	$ 43,722	$ 75,487	$ 352,735
Transferred at a point-in-time	$ 121	$ 651	$ —	$ 8,549	$ 9,321
Transferred over time	97,386	135,368	43,722	66,938	343,414
Total revenues	$ 97,507	$ 136,019	$ 43,722	$ 75,487	$ 352,735

Three Months Ended September 30, 2022

	Eastern	Western	Mid-Atlantic (1)	Resource Solutions	Total Revenues
Collection	$ 61,875	$ 82,242	$ —	$ —	$ 144,117
Landfill	7,900	20,240	—	—	28,140
Transfer station	19,525	13,230	—	—	32,755
Transportation	1,233	4,019	—	—	5,252
Landfill gas-to-energy	205	1,438	—	—	1,643
Processing	2,399	734	—	32,159	35,292
National Accounts	—	—	—	48,069	48,069
Total revenues	$ 93,137	$ 121,903	$ —	$ 80,228	$ 295,268
Transferred at a point-in-time	$ 115	$ 439	$ —	$ 12,380	$ 12,934
Transferred over time	93,022	121,464	—	67,848	282,334
Total revenues	$ 93,137	$ 121,903	$ —	$ 80,228	$ 295,268

Nine Months Ended September 30, 2023

	Eastern	Western	Mid-Atlantic (1)	Resource Solutions	Total Revenues
Collection	$ 194,801	$ 257,891	$ 43,225	$ —	$ 495,917
Landfill	21,109	53,943	—	—	75,052
Transfer	48,643	42,181	497	—	91,321
Transportation	3,718	11,342	—	—	15,060
Landfill gas-to-energy	594	4,448	—	—	5,042
Processing	5,875	1,476	—	75,970	83,321
National Accounts	—	—	—	139,262	139,262
Total revenues	$ 274,740	$ 371,281	$ 43,722	$ 215,232	$ 904,975
Transferred at a point-in-time	$ 339	$ 2,072	$ —	$ 23,121	$ 25,532
Transferred over time	274,401	369,209	43,722	192,111	879,443
Total revenues	$ 274,740	$ 371,281	$ 43,722	$ 215,232	$ 904,975

Nine Months Ended September 30, 2022

	Eastern	Western	Mid-Atlantic (1)	Resource Solutions	Total Revenues
Collection	$ 172,671	$ 228,239	$ —	$ —	$ 400,910
Landfill	19,819	53,028	—	—	72,847
Transfer	48,431	33,055	—	—	81,486
Transportation	4,470	10,700	—	—	15,170
Landfill gas-to-energy	727	5,323	—	—	6,050
Processing	5,602	2,281	—	93,421	101,304
National Accounts	—	—	—	135,195	135,195
Total revenues	$ 251,720	$ 332,626	$ —	$ 228,616	$ 812,962
Transferred at a point-in-time	$ 352	$ 1,467	$ —	$ 46,279	$ 48,098
Transferred over time	251,368	331,159	—	182,337	764,864
Total revenues	$ 251,720	$ 332,626	$ —	$ 228,616	$ 812,962

(1) Operations under the Mid-Atlantic region commenced July 1, 2023.

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 $4,617 and $17,575 in the three and nine months ended September 30, 2023, respectively, and $5,460 and $15,162 in the three and nine months ended September 30, 2022, respectively. 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 revenues in the three and nine months ended September 30, 2023 or September 30, 2022 from performance obligations satisfied in previous periods.

Contract receivables, which are included in accounts receivable, net in our consolidated balance sheets 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 $126,672 and $102,234 as of September 30, 2023 and December 31, 2022, respectively. Certain customers are billed in advance and, accordingly, recognition of the related revenues for which payment has been received is deferred as a contract liability until the services are provided and control transferred to the customer. We recognized contract liabilities of $18,852 and $3,742 as of September 30, 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 nine months ended September 30, 2023 and September 30, 2022, respectively, when the services were performed.

4. BUSINESS COMBINATIONS

In the nine months ended September 30, 2023, we acquired five businesses: the GFL Subsidiaries, which includes solid waste collection, transfer and recycling operations in Pennsylvania, Maryland and Delaware and whose assets are allocated between our Mid-Atlantic region and Resource Solutions operating segments; Consolidated Waste Services, LLC and its affiliates (dba Twin Bridges), which was completed on September 1, 2023, consisting of a collection, transfer and recycling business in the greater Albany, New York area whose assets are allocated between our Western region and Resource Solutions operating segments ("Twin Bridges Acquisition"); as well as three solid-waste collection businesses that provide collection, transfer and recycling services. In the nine months ended September 30, 2022, we acquired twelve businesses primarily related to our solid-waste operations, which included solid-waste collection, recycling, transfer station and transportation businesses.

The operating results of these businesses have been included in the accompanying unaudited consolidated statements of operations from each date of acquisition, and the purchase price has been allocated to the net assets acquired based on fair values at each date of acquisition with the residual amounts recorded as goodwill. Purchase price allocations are based on information existing at the acquisition dates or upon closing the transactions. Acquired intangible assets other than goodwill that are subject to amortization may include customer relationships, trade names and covenants not-to-compete. Such assets are amortized over a two-year to ten-year period from the date of acquisition. Substantially all amounts recorded to goodwill are expected to be deductible for tax purposes.

A summary of the purchase price paid and the purchase price allocation for acquisitions follows:

	Nine Months Ended September 30,	
	2023	2022
Purchase Price:		
Cash used in acquisitions, net of cash acquired	$ 842,635	$ 72,731
Other non-cash consideration	—	1,220
Holdbacks and additional consideration owed to sellers	2,435	4,112
Total consideration	$ 845,070	$ 78,063
Allocated as follows:		
Current assets	$ 19,297	$ 7,599
Property, plant and equipment:		
Land	6,760	3,141
Buildings and improvements	29,636	8,566
Machinery and equipment	175,309	10,296
Operating lease right-of-use assets	11,732	405
Intangible assets:		
Covenants not-to-compete	37,648	2,034
Customer relationships	145,553	11,417
Other non-current assets	—	40
Deferred tax liability	(11,013)	—
Current liabilities	(21,724)	(3,721)
Other long-term liabilities	(828)	(123)
Operating lease liabilities, less current portion	(9,939)	(282)
Fair value of assets acquired and liabilities assumed	382,431	39,372
Excess purchase price allocated to goodwill	$ 462,639	$ 38,691

Certain purchase price allocations, including but not limited to the GFL Acquisition and the Twin Bridges Acquisition, which are subject to finalizing the third-party valuations, are preliminary and are based on information existing at the acquisition dates or upon closing the transaction. Accordingly, the purchase price allocations are subject to change.

Unaudited pro forma combined information that shows our operational results as though each acquisition completed since the beginning of the prior fiscal year had occurred as of January 1, 2022 is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenues	$ 371,139	$ 374,421	$ 1,077,303	$ 1,061,748
Operating income	$ 34,584	$ 40,537	$ 75,876	$ 92,345
Net income	$ 17,964	$ 24,339	$ 30,318	$ 50,001
Basic earnings per share attributable to common stockholders:				
Weighted average common shares outstanding	57,962	51,677	54,228	51,604
Basic earnings per common share	$ 0.31	$ 0.47	$ 0.56	$ 0.97
Diluted earnings per share attributable to common stockholders:				
Weighted average common shares outstanding	58,062	51,806	54,325	51,749
Diluted earnings per common share	$ 0.31	$ 0.47	$ 0.56	$ 0.97

The unaudited pro forma results set forth in the table above have been prepared for comparative purposes only and are not necessarily indicative of the actual results of operations had the acquisitions occurred as of January 1, 2022 or of the results of our future operations. Furthermore, the unaudited pro forma results do not give effect to all cost savings or incremental costs that may occur as the result of the integration and consolidation of the completed acquisitions.

5. GOODWILL AND INTANGIBLE ASSETS

A summary of the activity and balances related to goodwill by operating segment is as follows:

	December 31, 2022	Acquisitions	Measurement Period Adjustments	September 30, 2023
Eastern	$ 52,406	$ 23,947	$ —	$ 76,353
Western	183,286	97,905	53	281,244
Mid-Atlantic	—	331,975	—	331,975
Resource Solutions	38,766	8,812	—	47,578
	$ 274,458	$ 462,639	$ 53	$ 737,150

Summaries of intangible assets by type follows:

	Covenants Not-to-Compete	Customer Relationships	Trade Names	Total
Balance, September 30, 2023				
Intangible assets	$ 68,960	$ 272,731	$ 8,405	$ 350,096
Less accumulated amortization	(25,713)	(61,201)	(6,493)	(93,407)
	$ 43,247	$ 211,530	$ 1,912	$ 256,689

	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 $10,109 and $18,405 during the three and nine months ended September 30, 2023, respectively, and $4,281 and $12,333 during the three and nine months ended September 30, 2022, respectively.

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 September 30, 2023	
Fiscal year ending December 31, 2023	$ 12,589
Fiscal year ending December 31, 2024	$ 48,250
Fiscal year ending December 31, 2025	$ 44,556
Fiscal year ending December 31, 2026	$ 40,193
Fiscal year ending December 31, 2027	$ 36,053
Thereafter	$ 75,048

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:

	Nine Months Ended September 30,	
	2023	**2022**
Beginning balance	$ 113,678	$ 86,914
Obligations incurred	4,023	3,592
Revision in estimates (1)	—	1,443
Accretion expense	7,193	5,685
Obligations settled (2)	(7,338)	(3,027)
Ending balance	$ 117,556	$ 94,607

(1) Relates to a change in estimates concerning anticipated capping costs at one of our landfills.

(2) 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:

	September 30, 2023	December 31, 2022
Senior Secured Credit Facility:		
Term loan A facility ("Term Loan Facility") due December 2026; bearing interest at Term SOFR plus 1.385%	$ 350,000	$ 350,000
Term loan A facility ("2023 Term Loan Facility") due December 2026; bearing interest at Term SOFR plus 1.885%	424,625	—
Revolving credit facility ("Revolving Credit Facility") due December 2026; bearing interest at Term SOFR plus 1.385%	—	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 ending in 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 ending in 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 ending in 2025; bearing interest at 2.750%	40,000	40,000
New York State Environmental Facilities Corporation Solid Waste Disposal Revenue Bonds Series 2020R-2 ("New York Bonds 2020R-2") due September 2050 - fixed rate interest period ending in 2030; bearing interest at 5.125%	35,000	—
Finance Authority of Maine Solid Waste Disposal Revenue Bonds Series 2005R-3 ("FAME Bonds 2005R-3") due January 2025 - fixed rate interest period ending in 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 ending in 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 ending in 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 ending in 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 ending in 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 ending in 2029; bearing interest at 2.95%	11,000	11,000
Other:		
Finance leases maturing through December 2107; bearing interest at a weighted average of 3.9%	51,066	49,813
Notes payable maturing through March 2025; bearing interest up to 8.1%	278	664
Principal amount of debt	1,057,969	603,477
Less—unamortized debt issuance costs	11,843	9,494
Debt less unamortized debt issuance costs	1,046,126	593,983
Less—current maturities of debt	33,957	8,968
	$ 1,012,169	$ 585,015

Financing Activities

In February 2023, we entered into first and second amendments to our Amended and Restated Credit Agreement. The first amendment provides, commencing in the fiscal year ending December 31, 2024, that 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 the prior fiscal year: (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 or minus any sustainable rate adjustment plus an applicable interest rate margin based upon our consolidated net leverage ratio.

In April 2023, we entered into an equity purchase agreement pursuant to which we agreed to the GFL Acquisition. In connection with the GFL Acquisition, we entered into (i) a commitment letter to obtain short-term secured bridge financing of up to $375,000 and (ii) the third amendment to the Amended and Restated Credit Agreement to, among other things, permit the draw down of the short-term secured bridge financing and authorize a delayed draw term loan facility to be executed with customary limited condition provisions. The short-term secured bridge financing was undrawn and subsequently terminated in May 2023 when we entered into the Loan Joinder, which provided for a $430,000 aggregate principal amount 2023 Term Loan Facility under the Amended and Restated Credit Agreement. In June 2023, we borrowed $430,000 under the 2023 Term Loan Facility and paid certain fees and costs due and payable in connection therewith. Borrowings from the 2023 Term Loan Facility were used to fund, in conjunction with the net proceeds from the public offering of our Class A common stock completed on June 16, 2023, cash and cash equivalents and borrowings from our Revolving Credit Facility, the GFL Acquisition. See Note 9, *Stockholders' Equity* for further disclosure regarding the public offering.

In June 2023, we entered into an asset purchase agreement pursuant to which we agreed to the Twin Bridges Acquisition. In connection with the Twin Bridges Acquisition, we entered into a commitment letter to obtain short-term unsecured bridge financing of up to $200,000 that was undrawn and subsequently terminated when we completed the public offering of our Class A common stock on June 16, 2023. Net proceeds from the public equity offering completed on June 16, 2023, together with cash and cash equivalents, were used to fund the Twin Bridges Acquisition. See Note 9, *Stockholders' Equity* for further disclosure regarding the public offering.

In August 2023, we completed the issuance of $35,000 aggregate principal amount of New York Bonds 2020R-2. The New York Bonds 2020R-2, which are unsecured and guaranteed jointly and severally, fully and unconditionally by all of our significant wholly-owned subsidiaries, accrue interest at 5.125% per annum from August 24, 2023 through September 2, 2030, at which time they may be converted to a variable interest rate period or to a new term interest rate period. The New York Bonds 2020R-2 mature on September 1, 2050. As of September 30, 2023, we had $2,730 of remaining cash proceeds from the issuance of the New York Bonds 2020R-2 included in restricted cash and assets that is restricted to finance or reimburse certain noncurrent asset costs associated with capital projects in the State of New York.

Credit Facility

As of September 30, 2023, we are party to the Amended and Restated Credit Agreement, which provides for a $350,000 aggregate principal amount Term Loan Facility, a $300,000 Revolving Credit Facility, with a $75,000 sublimit for letters of credit, and a $430,000 2023 Term Loan Facility (collectively, the "Credit Facility"). 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 further increase based on 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. The Credit Facility 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 or minus any sustainable rate adjustment of up to positive or negative 4.0 basis points per annum, plus an applicable interest rate margin based upon our consolidated net leverage ratio as follows:

	Term SOFR Loans	Base Rate Loans
Term Loan Facility	1.125% to 2.125%	0.125% to 1.125%
Revolving Credit Facility	1.125% to 2.125%	0.125% to 1.125%
2023 Term Loan Facility	1.625% to 2.625%	0.625% to 1.625%

A commitment fee will be charged on undrawn amounts at a rate of 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 0.20% to 0.40% per annum, plus a sustainability adjustment of up to positive or negative 1.0 basis point per annum. The Amended and Restated Credit Agreement provides that Term SOFR is subject to a zero percent floor. 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 September 30, 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 September 30, 2023 no amount had been drawn.

Interest Expense

The components of interest expense are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Interest expense on long-term debt and finance leases	$ 15,128	$ 5,692	$ 29,565	$ 15,513
Amortization of debt issuance costs (1)	715	489	2,221	1,414
Letter of credit fees	103	117	297	347
Less: capitalized interest	(198)	(121)	(375)	(196)
Total interest expense	$ 15,748	$ 6,177	$ 31,708	$ 17,078

(1) Includes interest expense related to a short-term secured bridge financing entered into in connection with the GFL Acquisition and interest expense related to a short-term unsecured bridge financing entered into in connection with the Twin Bridges Acquisition of $395 and $101, respectively, during the nine months ended September 30, 2023.

Loss from Termination of Bridge Financing

In the nine months ended September 30, 2023, we wrote-off the unamortized debt issuance costs and recognized a loss from termination of bridge financing upon the extinguishment of both a secured bridge financing agreement in connection with the GFL Acquisition of $3,718, and an unsecured bridge financing agreement in connection with the Twin Bridges Acquisition of $4,473.

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.

A summary of the changes to the notional amount of interest rate derivative agreements follows:

	Nine Months Ended September 30, 2023		
	Active	Forward Starting	Total
Beginning balance	$ 190,000	$ 20,000	$ 210,000
Additions	290,000	—	290,000
Commencements	20,000	(20,000)	—
Maturities	(85,000)	—	(85,000)
Ending balance (1)	$ 415,000	$ —	$ 415,000

(1) We receive interest based on Term SOFR, restricted by a 0.0% floor, and pay interest at a weighted average rate of approximately 3.41%. These agreements mature between February 2026 and June 2028.

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

	Balance Sheet Location	Fair Value September 30, 2023	Fair Value December 31, 2022
Interest rate swaps	Other current assets	$ 7,835	$ 4,345
Interest rate swaps	Other non-current assets	8,522	7,461
		$ 16,357	$ 11,806
Interest rate swaps	Other long-term liabilities	$ 1,886	$ —
Interest rate swaps	Accumulated other comprehensive income, net of tax	$ 14,471	$ 11,806
Interest rate swaps - tax effect	Accumulated other comprehensive income, net of tax	(4,991)	(4,264)
		$ 9,480	$ 7,542

8. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

In the ordinary course of our business and as the 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 $6,280 relating to our outstanding legal proceedings as of September 30, 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. See Note 11, *Other Items and Charges* for disclosure regarding a legal settlement charge recorded in the nine months ended September 30, 2023.

North Country Environmental Services Expansion Permit

The permit for expansion of the Bethlehem, New Hampshire landfill of our subsidiary, North Country Environmental Services, Inc. (“NCES”), known as “Stage VI”, issued in October 2020 (“Permit”), was appealed by the Conservation Law Foundation (“CLF”) to the New Hampshire Waste Management Council (“Council”) on November 9, 2020 on the grounds it failed to meet the public benefit criteria. Following a hearing on the merits during which the Council found that the New Hampshire Department of Environmental Services (“DES”) had reasonably measured and acted lawfully in determining a capacity need for Stage VI, the hearing officer presiding over the proceedings issued an Order on May 11, 2022, without further hearing, determining instead that DES had acted unlawfully in reaching these conclusions (“Hearing Officer’s Order”), and remanded the Permit to DES on this determination. On December 5, 2022, DES and NCES both separately sought review of the Hearing Officer’s Order on appeal to the New Hampshire Supreme Court (“Supreme Court”). The parties presented oral arguments to the Supreme Court on October 3, 2023. A decision has not yet been issued. On December 14, 2022, NCES filed an action 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 in that the Council did not hold a public meeting to deliberate on the Hearing Officer’s Order. The Superior Court has since dismissed that proceeding, however, NCES appealed that decision to the Supreme Court on April 18, 2023. NCES's brief on appeal was filed with the Supreme Court on August 11, 2023. On September 26, 2023, CLF filed a Motion to Intervene as well as a memorandum of law asking the Supreme Court to uphold the Superior Court's dismissal, to which NCES filed an Objection in response on October 23, 2023. The Council submitted its brief on October 25, 2023; NCES's reply is due November 4, 2023. CLF's Motion to Intervene remains pending. In the event that the Supreme Court affirms the Hearing Officer's Order on appeal, the Permit would remand to DES, where NCES would take steps in an effort to avoid or mitigate an adverse determination. If the Stage VI permit is not ultimately approved, NCES capacity could be curtailed.

On September 20, 2022, NCES, which has since withdrawn as a party, and our subsidiary, Granite State Landfill, LLC, filed a Petition for Declaratory Judgment ("Petition") in the Superior Court asking the Superior Court for a determination of the meaning and constitutionality of New Hampshire's public benefit requirement, the same statute at issue in the Hearing Officer's Order. CLF was granted intervention in the Petition proceeding on June 8, 2023. This matter remains pending before the Superior Court.

On April 12, 2023, DES issued approval of construction plans for Stage VI, Phase II to NCES ("DES Approval"). CLF appealed the DES Approval to the Council on May 11, 2023, on the grounds that it failed to meet the public benefit criteria, and that the DES Approval conflicts with the Hearing Officer's May 11, 2022 Order determining that DES had acted unlawfully in issuing the Permit, and requested expedited review. The Council has denied the request for expedited review and this appeal remains pending before the Council.

NCES will continue to vigorously defend the Permit through the appeals to the Supreme Court, will litigate the Petition before the Superior Court, and will defend the DES Approval on appeal before the Council.

Cash, Cash Equivalents and Restricted Cash

Restricted cash is included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. Beginning-of-period and end-of-period cash, cash equivalents and restricted cash s presented in the statement of cash flows is reconciled as follows:

	September 30, 2023	December 31, 2022
Cash and cash equivalents	$ 219,089	$ 71,152
Restricted cash - non-current	2,730	—
Cash, cash equivalents and restricted cash	$ 221,819	$ 71,152

Our restricted cash consists of cash proceeds from the issuance of the New York Bonds 2020R-2 included in restricted cash and assets that is restricted to finance or reimburse certain noncurrent asset costs associated with capital projects in the State of New York. See Note 7, *Debt* for disclosure regarding New York Bonds 2020R-2.

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 the 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 September 30, 2023 range between 1.5% and 4.1%. A summary of the changes to the aggregate environmental remediation liabilities for the nine months ended September 30, 2023 and 2022 follows:

	Nine Months Ended September 30,	
	2023	2022
Beginning balance	$ 6,335	$ 5,887
Accretion expense	75	79
Obligations incurred (1)	—	759
Obligations settled (2)	(338)	(353)
Ending balance	6,072	6,372
Less: current portion	1,799	646
Long-term portion	$ 4,273	$ 5,726

(1) Associated with the investigation of potential remediation at an inactive waste disposal site that adjoins one of the landfills that we operate.

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

9. STOCKHOLDERS' EQUITY

Public Offering of Class A Common Stock

On June 16, 2023, we completed a public offering of 6,053 shares of our Class A common stock at a public offering price of $85.50 per share. After deducting stock issuance costs received as of September 30, 2023, including underwriting discounts, commissions and offering expenses, the offering has resulted in net proceeds of $496,231. The net proceeds from this offering were and are to be used to fund acquisition activity, including the GFL Acquisition and the Twin Bridges Acquisition, to pay certain costs associated with acquisition activities, as discussed in Note 11, *Other Items and Charges*, and to repay borrowings and/or debt securities as discussed Note 7, *Debt.*

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 September 30, 2023, there were 625 Class A common stock equivalents available for future grant under the 2016 Plan.

On June 1, 2023, our stockholders approved the amendment and restatement of our Amended and Restated 1997 Employee Stock Purchase Plan (as further amended and restated, the “ESPP”) to increase the number of shares of Class A common stock reserved for issuance under the ESPP by 400 shares of Class A common stock. As of September 30, 2023, 444 shares of Class A common stock were available for issuance under the ESPP.

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	(18)	$	4.88			
Forfeited	—	$	—			
Outstanding, September 30, 2023	111	$	63.87	7.3	$	1,846
Exercisable, September 30, 2023	49	$	40.60	5.4	$	1,825

Stock-based compensation expense related to stock options was $126 and $374 during the three and nine months ended September 30, 2023, respectively, as compared to $89 and $122 during the three and nine months ended September 30, 2022, respectively. As of September 30, 2023, we had $1,724 of unrecognized stock-based compensation expense related to outstanding stock options to be recognized over a weighted average period of 3.7 years.

During the three and nine months ended September 30, 2023, the aggregate intrinsic value of stock options exercised was $1,302 and $1,302, respectively.

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 to five-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 to five 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	119	$	81.04			
Class A Common Stock Vested	(65)	$	62.57			
Forfeited	(6)	$	76.91			
Outstanding, September 30, 2023	217	$	91.51	2.1	$	16,597
Unvested, September 30, 2023	376	$	88.63	1.7	$	28,660

(1) Performance stock unit grants, including market-based performance stock units, 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 $2,112 and $6,007 during the three and nine months ended September 30, 2023, respectively, as compared to $2,225 and $5,204 during the three and nine months ended September 30, 2022, respectively.

During the three and nine months ended September 30, 2023, the total fair value of other stock awards vested was $223 and $5,279, respectively.

As of September 30, 2023, total unrecognized stock-based compensation expense related to outstanding restricted stock awards was $12, which will be recognized over a weighted average period of 0.7 years. As of September 30, 2023, total unrecognized stock-based compensation expense related to outstanding restricted stock units was $6,344, which will be recognized over a weighted average period of 2.4 years. As of September 30, 2023, total expected unrecognized stock-based compensation expense related to outstanding performance stock units was $5,655 to be recognized over a weighted average period of 1.7 years.

The weighted average fair value of market-based performance stock units granted during the nine months ended September 30, 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 $120 and $318 of stock-based compensation expense related to the ESPP during the three and nine months ended September 30, 2023, respectively, as compared to $97 and $262 during the three and nine months ended September 30, 2022, respectively.

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	6,846
Income reclassified from accumulated other comprehensive income into interest expense	(4,181)
Income tax provision related to items of other comprehensive income	(727)
Net current-period other comprehensive income, net of tax	1,938
Balance, September 30, 2023	$ 9,480

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

Details About Accumulated Other Comprehensive Income, Net of Tax Components	Amounts Reclassified Out of Accumulated Other Comprehensive Income, Net of Tax — Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Affected Line Item in the Consolidated Statements of Operations
Interest rate swaps	$ (1,805)	$ 14	$ (4,181)	$ 2,136	Interest expense
	1,805	(14)	4,181	(2,136)	Income before income taxes
	495	—	1,146	(190)	Provision for income taxes
	$ 1,310	$ (14)	$ 3,035	$ (1,946)	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 September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Numerator:				
Net income	$ 18,172	$ 22,672	$ 27,210	$ 44,658
Denominators:				
Number of shares outstanding, end of period:				
Class A common stock	56,994	50,692	56,994	50,692
Class B common stock	988	988	988	988
Unvested restricted stock	—	(1)	—	(1)
Effect of weighted average shares outstanding (1)	(20)	(2)	(3,754)	(75)
Basic weighted average common shares outstanding	57,962	51,677	54,228	51,604
Impact of potentially dilutive securities:				
Dilutive effect of stock options and other stock awards	100	129	97	145
Diluted weighted average common shares outstanding	58,062	51,806	54,325	51,749
Anti-dilutive potentially issuable shares	78	84	75	115

(1) The adjustment in the nine months ended September 30, 2023 is primarily associated with the 6,053 shares of Class A common stock issued as part of the public offering, completed on June 16, 2023. See Note 9, *Stockholders' Equity* for disclosure regarding the public offering of Class A common stock.

11. OTHER ITEMS AND CHARGES

Expense from Acquisition Activities

In the three and nine months ended September 30, 2023, we recorded charges of $3,261 and $9,801, respectively, and in the three and nine months ended September 30, 2022, we recorded charges of $816 and $3,878, respectively, comprised primarily of legal, consulting and other similar costs associated with due diligence and the acquisition and integration of acquired businesses, including the GFL Acquisition and the Twin Bridges Acquisition in the nine months ended September 30, 2023, or select development projects.

Legal Settlement

In the nine months ended September 30, 2023, we recorded a charge of $6,150 accrued for in other accrued liabilities due to reaching an agreement at a mediation held on June 20, 2023 with the collective class members of a class action lawsuit relating to certain claims under the Fair Labor Standards Act of 1938 as well as state wage and hours laws. The settlement agreement was executed July 24, 2023 and has received court approval. See Note 8, *Commitments and Contingencies* for disclosure regarding our aggregate legal proceedings accrual.

Environmental Remediation Charge

In the three and nine months ended September 30, 2022, we recorded a charge of $759 associated with the investigation of potential remediation at an inactive waste disposal site that adjoins one of the landfills we operate.

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, restricted cash 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 Term SOFR 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 September 30, 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	$ 1,928	$ —	$ —
Interest rate swaps	—	16,357	—
	$ 1,928	$ 16,357	$ —
Liabilities:			
Interest rate swaps	—	1,886	—
	$ —	$ 1,886	$ —

	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 (1)	$ —	$ —	$ 965

(1) In the three and nine months ended September 30, 2023, we recorded a gain on resolution of acquisition-related contingent consideration of $376 and $965, respectively, within cost of operations associated with the reversal of a contingency for a transfer station permit expansion that is no longer deemed viable.

Fair Value of Debt

As of September 30, 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, New York Bonds 2020R-2 and New Hampshire Bonds (collectively, the "Industrial Revenue Bonds") was approximately $223,926 and the carrying value was $232,000. 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 September 30, 2023, the carrying values of our Term Loan Facility and 2023 Term Loan Facility were $350,000 and $424,625, respectively, 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, Western and Mid-Atlantic regions. The Mid-Atlantic region, which was formed as a result of the GFL Acquisition on June 30, 2023, commenced operations on July 1, 2023. 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 eastern 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 September 30, 2023

Segment	Outside revenues	Inter-company revenues	Depreciation and amortization	Operating income (loss)	Total assets
Eastern	$ 97,507	$ 24,911	$ 12,381	$ 11,160	$ 417,138
Western	136,019	46,307	20,976	20,462	986,659
Mid-Atlantic	43,722	212	10,182	(747)	557,710
Resource Solutions	75,487	4,172	3,452	4,110	242,413
Corporate Entities	—	—	745	(797)	294,095
Eliminations	—	(75,602)	—	—	—
	$ 352,735	$ —	$ 47,736	$ 34,188	$ 2,498,015

Three Months Ended September 30, 2022

Segment	Outside revenues	Inter-company revenues	Depreciation and amortization	Operating income (loss)	Total assets
Eastern	$ 93,137	$ 23,027	$ 11,907	$ 10,061	$ 361,950
Western	121,903	40,703	16,778	22,405	725,232
Mid-Atlantic	—	—	—	—	—
Resource Solutions	80,228	1,579	3,138	4,526	189,854
Corporate Entities	—	—	704	(704)	122,311
Eliminations	—	(65,309)	—	—	—
	$ 295,268	$ —	$ 32,527	$ 36,288	$ 1,399,347

Nine Months Ended September 30, 2023

Segment	Outside revenues	Inter-company revenues	Depreciation and amortization	Operating income (loss)	Total assets
Eastern	$ 274,740	$ 67,843	$ 36,431	$ 20,819	$ 417,138
Western	371,281	125,208	57,559	51,880	986,659
Mid-Atlantic	43,722	212	10,182	(747)	557,710
Resource Solutions	215,232	10,975	9,618	2,854	242,413
Corporate Entities	—	—	2,305	(7,739)	294,095
Eliminations	—	(204,238)	—	—	—
	$ 904,975	$ —	$ 116,095	$ 67,067	$ 2,498,015

Nine Months Ended September 30, 2022

Segment	Outside revenues	Inter-company revenues	Depreciation and amortization	Operating income (loss)	Total assets
Eastern	$ 251,720	$ 61,842	$ 34,895	$ 13,981	$ 361,950
Western	332,626	112,687	47,376	51,565	725,232
Mid-Atlantic	—	—	—	—	—
Resource Solutions	228,616	2,673	9,011	14,453	189,854
Corporate Entities	—	—	1,824	(1,824)	122,311
Eliminations	—	(177,202)	—	—	—
	$ 812,962	$ —	$ 93,106	$ 78,175	$ 1,399,347

A summary of our revenues attributable to services provided follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Collection	$ 206,093	$ 144,117	$ 495,917	$ 400,910
Disposal	66,337	66,147	181,433	169,503
Power generation	1,797	1,643	5,042	6,050
Processing	3,021	3,133	7,351	7,883
Solid waste operations	277,248	215,040	689,743	584,346
Processing	27,782	32,159	75,970	93,421
National Accounts	47,705	48,069	139,262	135,195
Resource Solutions operations	75,487	80,228	215,232	228,616
Total revenues	$ 352,735	$ 295,268	$ 904,975	$ 812,962

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:

- 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;
- whether our pricing programs and operational initiatives will outpace higher operating and construction costs from inflation and regulatory changes;
- fluctuations in recycling commodity pricing, 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;
- projected improvements to our infrastructure and the impact of such improvements on our business and operations; and
- 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.

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 the 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 nine states: Vermont, New Hampshire, New York, Massachusetts, Connecticut, Maine, Pennsylvania, Delaware and Maryland, with our headquarters located in Rutland, Vermont. On June 30, 2023, we acquired the equity interests of four wholly owned subsidiaries of GFL Environmental Inc., which are the basis of our newly formed regional operating segment, the Mid-Atlantic region, that expanded our integrated solid waste services to the states of Delaware and Maryland ("GFL Acquisition"). Operations under the Mid-Atlantic region commenced on July 1, 2023. For additional disclosure regarding the GFL Acquisition see Note 4, *Business Combinations*, Note 7, *Debt*, Note 9, *Stockholders’ Equity* and Note 11, *Other Items and Charges* to our consolidated financial statements included under Part I, Item 1 of this Quarterly Report on Form 10-Q.

We manage our solid waste operations on a geographic basis through regional operating segments, the Eastern, Western and Mid-Atlantic regions, each of which provides a comprehensive 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.

As of October 15, 2023, we owned and/or operated 64 solid waste collection operations, 71 transfer stations, 29 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 regional operating segments, which we designate as the Eastern, Western and Mid-Atlantic regions. Operations under the Mid-Atlantic region commenced on July 1, 2023. Revenues associated with our solid waste operations are derived mainly from fees charged to customers for solid waste collection and disposal services, including landfill, transfer station and transportation, landfill gas-to-energy, and processing services in the eastern United States. 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, 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 September 30,				$ Change	Nine Months Ended September 30,				$ Change
	2023		2022			2023		2022		
Collection	$ 206.1	58.4 %	$ 144.1	48.8 %	$ 62.0	$ 495.9	54.8 %	$ 400.9	49.3 %	$ 95.0
Disposal	66.3	18.8 %	66.1	22.4 %	0.2	181.4	20.0 %	169.5	20.9 %	11.9
Power	1.8	0.5 %	1.6	0.6 %	0.2	5.0	0.6 %	6.1	0.7 %	(1.1)
Processing	3.0	0.9 %	3.2	1.0 %	(0.2)	7.4	0.8 %	7.8	1.0 %	(0.4)
Solid waste	277.2	78.6 %	215.0	72.8 %	62.2	689.7	76.2 %	584.3	71.9 %	105.4
Processing	27.8	7.9 %	32.2	10.9 %	(4.4)	76.0	8.4 %	93.5	11.5 %	(17.5)
National Accounts	47.7	13.5 %	48.1	16.3 %	(0.4)	139.3	15.4 %	135.2	16.6 %	4.1
Resource Solutions	75.5	21.4 %	80.3	27.2 %	(4.8)	215.3	23.8 %	228.7	28.1 %	(13.4)
Total revenues	$ 352.7	100.0 %	$ 295.3	100.0 %	$ 57.4	$ 905.0	100.0 %	$ 813.0	100.0 %	$ 92.0

Solid waste revenues

A summary of the period-to-period changes 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 September 30, 2023 vs. 2022		Period-to-Period Change for the Nine Months Ended September 30, 2023 vs. 2022	
	Amount	% Growth	Amount	% Growth
Price	$ 14.9	6.9 %	$ 45.1	7.7 %
Volume	(7.2)	(3.3)%	(11.9)	(2.0)%
Surcharges and other fees	(0.2)	(0.2)%	11.0	1.8 %
Commodity price and volume	—	— %	(1.7)	(0.3)%
Acquisitions	54.7	25.5 %	62.9	10.8 %
Solid waste revenues	$ 62.2	28.9 %	$ 105.4	18.0 %

Price.

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

- $11.0 million from favorable collection pricing; and
- $3.9 million from favorable disposal pricing associated with our landfills, transfer stations and, to a lesser extent transportation services.

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

- $32.9 million from favorable collection pricing; and
- $12.2 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:

- $(4.5) million from lower disposal volumes (of which $(4.1) million relates to lower landfill volumes, $(0.2) million relates to lower transfer station volumes and $(0.2) million relates to lower transportation volumes) due to slowing economic activity; partially offset by the increase in disposal volumes in the Western region due to flooding caused from severe weather; and
- $(2.8) million from lower collection volumes associated with slowing economic activity, higher customer churn due to increased pricing and fees charged to additional customers in our Western region, and to a lesser extent purposeful shedding of less profitable customers; partially offset by
- $0.1 million from higher processing volumes.

The volume change component in year-to-date solid waste revenues growth is the result of the following:

- $(8.1) million from lower collection volumes associated with slowing economic activity, higher customer churn due to increased pricing and fees charged to additional customers in our Western region, and to a lesser extent purposeful shedding of less profitable customers; and
- $(4.0) million from lower disposal volumes (of which $(4.0) million relates to lower landfill volumes, $(1.3) million relates to lower transportation volumes and $1.3 million relates to increased transfer station volumes) due to slowing economic activity; partially offset by the increase in disposal volumes in the Western region due to flooding from severe weather; partially offset by
- $0.2 million from higher processing volumes.

Surcharges and other fees.

The decline in surcharges and other fees change component in quarterly solid waste revenues growth from the prior year period is the result of lower energy and environmental fee (“E&E Fee(s)”) revenues, partially offset by fuel surcharges and environmental fee revenues associated with the GFL Acquisition and higher sustainability recycling adjustment fee (“SRA Fee(s)”) revenues. Lower E&E Fee revenues associated with our fuel cost recovery program were the result of lower diesel fuel prices. Higher SRA Fee revenues were the result of lower recycled commodity prices and a higher customer participation rate.

The growth in surcharges and other fees change component in year-to-date solid waste revenues growth from the prior year period is the result of fuel surcharges and environmental fee revenues associated with the GFL Acquisition, higher SRA Fee revenues, and higher E&E Fee revenues. Higher SRA Fee revenues were the result of lower recycled commodity prices and a higher customer participation rate. Higher E&E Fee revenues associated with our fuel cost recovery program were the result of a higher customer participation rate, partially offset by lower diesel fuel prices.

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 recovery programs and SRA Fee.

Commodity price and volume.

The decline in commodity price and volume change component in year-to-date solid waste revenues growth from the prior year period is primarily from our Western region associated with: unfavorable commodity and energy pricing and lower gas-to-energy volumes; partially offset by higher commodity processing volumes.

Acquisitions.

The acquisitions change components in quarterly and year-to-date solid waste revenues growth from the prior year periods are the result of increased activity in line with our growth strategy associated with the timing and acquisition of five businesses in the nine months ended September 30, 2023, including: the formation of our Mid-Atlantic region operating segment through the GFL Acquisition, which commenced operations effective July 1, 2023, and the acquisition of Consolidated Waste Services, LLC and its affiliates (dba Twin Bridges), a collection, transfer and recycling business in the greater Albany, New York area ("Twin Bridges Acquisition"), which commenced operations September 1, 2023, and twelve businesses in fiscal year 2022.

Resource Solutions revenues

The decline in quarterly Resource Solutions revenues of $(4.8) million from the prior year period is the result of the following:

- $(6.3) million primarily from the unfavorable impact of lower recycled commodity pricing on processing revenues, partially offset by higher tipping fees and other processing pricing; and
- $(0.4) million from lower revenues associated with our National Accounts business due to decreased volumes and lower fees, offset in part by favorable pricing; partially offset by
- $1.1 million from acquisition activity; and
- $0.8 million from higher processing volumes mainly driven by higher recycled commodity volumes.

The decline in year-to-date Resource Solutions revenues of $(13.4) million from the prior year period is the result of the following:

- $(28.6) million primarily from the unfavorable impact of lower recycled commodity pricing on processing revenues, offset in part by higher tipping fees and other processing pricing; partially offset by
- $8.2 million from increased processing volumes mainly driven by higher recycled commodity volumes;
- $3.8 million from acquisition activity; and
- $3.2 million from higher revenues associated with our National Accounts business due to favorable pricing, partially offset by decreased volumes and lower fees.

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 September 30,				$ Change	Nine Months Ended September 30,				$ Change
	2023		2022			2023		2022		
Cost of operations	$ 226.3	64.2 %	$ 190.3	64.4 %	$ 36.0	$ 592.9	65.5 %	$ 538.8	66.3 %	$ 54.1
General and administration	$ 41.2	11.7 %	$ 34.3	11.6 %	$ 6.9	$ 112.7	12.5 %	$ 97.7	12.0 %	$ 15.0
Depreciation and amortization	$ 47.7	13.5 %	$ 32.5	11.0 %	$ 15.2	$ 116.1	12.8 %	$ 93.1	11.5 %	$ 23.0

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 September 30,				$ Change	Nine Months Ended September 30,				$ Change
	2023		2022			2023		2022		
Direct costs	$ 86.7	24.6 %	$ 76.7	26.0 %	$ 10.0	$ 225.5	24.9 %	$ 210.8	25.9 %	$ 14.7
Direct labor costs	49.3	14.0 %	37.3	12.6 %	12.0	123.3	13.6 %	107.8	13.3 %	15.5
Direct operational costs	25.1	7.1 %	22.9	7.8 %	2.2	71.1	7.9 %	66.0	8.1 %	5.1
Fuel costs	13.6	3.9 %	12.1	4.1 %	1.5	34.0	3.8 %	35.6	4.4 %	(1.6)
Maintenance and repair costs	27.1	7.7 %	21.0	7.0 %	6.1	72.6	8.0 %	59.7	7.4 %	12.9
Other operational costs	24.5	6.9 %	20.3	6.9 %	4.2	66.4	7.3 %	58.9	7.2 %	7.5
	$ 226.3	64.2 %	$ 190.3	64.4 %	$ 36.0	$ 592.9	65.5 %	$ 538.8	66.3 %	$ 54.1

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 and nine months ended September 30, 2023 and 2022 are summarized below:

- Direct costs increased in aggregate dollars primarily due to the commencement of operations of the Mid-Atlantic operating segment effective July 1, 2023, which resulted in $11.0 million of direct costs, and the following cost changes: (i) higher disposal costs driven by acquisition-related growth; and (ii) higher third-party disposal rates and hauling charges related to inflationary pressures; partially offset in dollars, and more than offset as a percentage of revenues, by (i) lower purchased material costs in our Resource Solutions operating segment; and (ii) lower hauling and transportation costs on lower organic disposal volumes in our Eastern region operating segment.
- Direct labor costs increased in aggregate dollars primarily due to the commencement of operations of the Mid-Atlantic operating segment effective July 1, 2023, which resulted in $8.8 million of direct labor costs and an increase as a percentage of revenues from the business mix including more labor intensive rear-load operations, and the following cost changes: higher wages and benefit costs driven by acquisition-related growth and inflationary pressures; partially offset by (i) improved routing efficiencies; (ii) lower outside labor costs; and (ii) lower organic disposal volumes in our Eastern region operating segment.
- Direct operational costs increased in aggregate dollars primarily due to the commencement of operations of the Mid-Atlantic operating segment effective July 1, 2023, which resulted in $1.9 million of direct operational costs, and the following cost changes year-to-date: (i) higher other operating costs on acquisition-related growth and inflationary pressures; (ii) higher accretion expense associated with changes in the timing and cost estimates of our closure, post-closure, and capping obligations; (iii) higher host community and royalty fees in our Western region; and (iv) higher tire repair and replacement costs; partially offset in dollars, and more than offset as a percentage of revenues, by (i) lower landfill related operating costs on lower volumes and (ii) lower vehicle insurance costs.

- Fuel costs increased in aggregate dollars quarterly due to the commencement of operations of the Mid-Atlantic operating segment effective July 1, 2023, which resulted in $3.0 million of fuel costs, and decreased in aggregate dollars year-to-date primarily due to: lower diesel fuel prices and lower organic solid waste volumes; partially offset by higher diesel fuel consumption related to acquisition-related 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 the commencement of operations of the Mid-Atlantic operating segment effective July 1, 2023, which resulted in $3.4 million of maintenance and repair costs, and the following cost changes: (i) higher personnel related expenses and supply costs related to parts and repairs associated with acquisition-related growth and inflationary pressures; and (ii) higher vehicle maintenance costs driven by delays in the delivery of fleet replacements.
- Other operational costs increased in aggregate dollars primarily due to the commencement of operations of the Mid-Atlantic operating segment effective July 1, 2023, which resulted in $1.8 million of other operational costs, and higher facility costs related to: (i) higher spend on outside repairs and personnel related expenses associated with acquisition-related growth and inflationary pressures; and (ii) increased facility insurance costs; partially offset by a gain on resolution of acquisition-related contingent consideration associated with the reversal of a contingency for a transfer station permit expansion in our Western region that is no longer deemed viable.

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 September 30,				Nine Months Ended September 30,			
	2023		2022		$ Change	2023		2022		$ Change
Labor costs	$ 26.8	7.6 %	$ 23.5	7.9 %	$ 3.3	$ 74.1	8.2 %	$ 66.9	8.2 %	$ 7.2
Professional fees	2.2	0.6 %	1.8	0.6 %	0.4	6.9	0.8 %	5.2	0.6 %	1.7
Provision for bad debt expense	0.7	0.2 %	0.8	0.3 %	(0.1)	1.7	0.2 %	1.9	0.2 %	(0.2)
Other	11.5	3.3 %	8.2	2.8 %	3.3	30.0	3.3 %	23.7	3.0 %	6.3
	$ 41.2	11.7 %	$ 34.3	11.6 %	$ 6.9	$ 112.7	12.5 %	$ 97.7	12.0 %	$ 15.0

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 and nine months ended September 30, 2023 and 2022 are summarized below:

- Labor costs increased in aggregate dollars primarily due to the commencement of operations of the Mid-Atlantic operating segment effective July 1, 2023, which resulted in $1.4 million of labor costs, and the following cost changes: (i) higher salary, wages and benefit costs on acquisition-related growth and inflationary pressures; and (ii) higher equity compensation costs year-to-date; partially offset by lower accrued incentive compensation costs.
- Other costs increased in aggregate dollars primarily due to the commencement of operations of the Mid-Atlantic operating segment effective July 1, 2023, which resulted in $1.5 million of other costs, and the following cost changes: (i) an increase in general overhead costs related to business growth and inflationary pressures; (ii) an increase in service agreement costs; (iii) quarterly property taxes; and (iv) sponsorship and advertising related costs.

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 September 30,				$	Nine Months Ended September 30,				$
	2023		2022		Change	2023		2022		Change
Depreciation expense	$ 27.5	7.8 %	$ 19.7	6.7 %	$ 7.8	$ 68.8	7.6 %	$ 58.2	7.2 %	$ 10.6
Landfill amortization expense	10.1	2.9 %	8.5	2.9 %	1.6	28.9	3.2 %	22.6	2.8 %	6.3
Other amortization expense	10.1	2.8 %	4.3	1.4 %	5.8	18.4	2.0 %	12.3	1.5 %	6.1
	$ 47.7	13.5 %	$ 32.5	11.0 %	$ 15.2	$ 116.1	12.8 %	$ 93.1	11.5 %	$ 23.0

The most significant items impacting the changes in our depreciation and amortization expenses during the three and nine months ended September 30, 2023 and 2022 are summarized below:

- Depreciation expense increased in aggregate dollars primarily due to the commencement of operations of the Mid-Atlantic operating segment effective July 1, 2023, which resulted in $5.5 million of depreciation expense, and the following impacts: (i) acquisition activity; and (ii) increased investment in our fleet.
- Landfill amortization expense increased in aggregate dollars primarily due to changes in cost and other assumptions from the prior year periods more than offsetting lower landfill volumes.
- Other amortization expense increased in aggregate dollars primarily due to the commencement of operations of the Mid-Atlantic operating segment effective July 1, 2023, which resulted in $4.6 million of other amortization expense, and other acquisition activity.

Expense from Acquisition Activities

In the three and nine months ended September 30, 2023, we recorded charges of $3.3 million and $9.8 million, respectively, and in the three and nine months ended September 30, 2022, we recorded charges of $0.8 million and $3.9 million, respectively, comprised primarily of legal, consulting and other similar costs associated with due diligence and the acquisition and integration of acquired businesses, including the GFL Acquisition and the Twin Bridges Acquisition in the nine months ended September 30, 2023.

Legal Settlement

In the nine months ended September 30, 2023, we accrued for a charge of $6.2 million in current liabilities due to reaching an agreement at a mediation held on June 20, 2023 with the collective class members of a class action lawsuit relating to certain claims under the Fair Labor Standards Act of 1938 (“FLSA”) as well as state wage and hours laws. The settlement agreement was executed July 24, 2023 and has received court approval.

Environmental Remediation Charge

In the three and nine months ended September 30, 2022, we recorded a charge of $0.8 million associated with the investigation of potential remediation at an inactive waste disposal site that adjoins one of our landfills.

Other Expenses

Interest Expense, net

Our interest expense, net increased $4.2 million quarterly and $7.1 million year-to-date as compared to the same periods in the prior year due primarily to: (i) entering into a $430.0 million aggregate principal amount term loan A facility (“2023 Term Loan Facility”) to fund the GFL Acquisition; (ii) the amortization of transaction, legal, and other similar debt issuance costs incurred associated with bridge financing activities related to the GFL Acquisition and the Twin Bridges Acquisition; (iii) rising interest rates; (iv) and the issuance of $35.0 million aggregate principal amount of Vermont Economic Development Authority Solid Waste Disposal Long-Term Revenue Bonds Series 2022A-1 (“Vermont Bonds 2022A-1”) in June 2022 and $35.0 million aggregate principal amount of New York State Environmental Facilities Corporation Solid Waste Disposal Revenue Bonds Series 2020R-2 (“New York Bonds 2020R-2”) in August 2023; partially offset by higher interest income associated with the timing of financing activities resulting in a higher average cash balance and rising interest rates. For additional disclosure regarding interest expense, see Note 7, *Debt* to our consolidated financial statements included under Part I, Item 1 of this Quarterly Report on Form 10-Q.

Loss from Termination of Bridge Financing

In the nine months ended September 30, 2023, we wrote-off the unamortized debt issuance costs and recognized a loss from termination of bridge financing upon the extinguishment of both a secured bridge financing agreement in connection with the GFL Acquisition of $3.7 million, and an unsecured bridge financing agreement in connection with the Twin Bridges Acquisition of $4.5 million.

Provision for Income Taxes

Our provision for income taxes decreased $(3.1) million in the three months ended September 30, 2023, and decreased $(9.9) million in the nine months ended September 30, 2023, as compared to the prior year periods. This is primarily due to increased depreciation and amortization from acquisitions, higher interest expenses and debt extinguishment costs during the nine months ended September 30, 2023. The provision for income taxes in the nine months ended September 30, 2023 included $3.8 million of current income taxes and $4.9 million of deferred income taxes. The provision for income taxes in the nine months ended September 30, 2022 included $4.9 million of current income taxes and $13.8 million of deferred income taxes. The effective rate excluding discrete items for the fiscal year ending December 31, 2023 ("fiscal year 2023") is 27.3% 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, a portion of equity compensation disallowed pursuant to Section 162(m) of the Internal Revenue Code and a provision for the entry booked relating to the prior year. The equity compensation deduction is taken into account in the nine months ended September 30, 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 nine months ended September 30, 2023. The effective rate for the nine months ended September 30, 2023 is 24.4%. For the nine months ended September 30, 2022 the effective rate was 29.5%.

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. Due to the structure of our acquisitions during the nine months ended September 30, 2023, we are projecting a significant increase to depreciation and amortization deductions during the 2023 tax year. As such, we are projecting to utilize significantly less net operating losses during fiscal year 2023 than we projected in the three months ended March 31, 2023. Currently, we expect to utilize all our pre-2018 net operating losses in fiscal year 2023 and carryforward about $35 million post-2017 net operating losses to the fiscal year ending December 31, 2024. We expect some refinements to our tax provision for fiscal year 2023 as we obtain and analyze more detailed information from acquisitions, including the GFL Acquisition and the Twin Bridges Acquisition.

In addition, the TCJA added limitations on the deductibility of interest expense that became more restrictive beginning in tax year 2022 and will 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 September 30,		$ Change	Nine Months Ended September 30,		$ Change
	2023	2022		2023	2022	
Eastern	$ 97.5	$ 93.1	$ 4.4	$ 274.7	$ 251.7	$ 23.0
Western	136.0	121.9	14.1	371.3	332.6	38.7
Mid-Atlantic	43.7	—	43.7	43.7	—	43.7
Resource Solutions	75.5	80.3	(4.8)	215.3	228.7	(13.4)
Total revenues	$ 352.7	$ 295.3	$ 57.4	$ 905.0	$ 813.0	$ 92.0

Eastern Region

A summary of the period-to-period changes 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 September 30, 2023 vs. 2022		Period-to-Period Change for the Nine Months Ended September 30, 2023 vs. 2022	
	Amount	% Growth	Amount	% Growth
Price	$ 7.7	8.3 %	$ 23.5	9.4 %
Volume	(4.3)	(4.6)%	(6.1)	(2.4)%
Surcharges and other fees	(1.8)	(2.0)%	2.9	1.1 %
Commodity price and volume	—	— %	(0.1)	(0.1)%
Acquisitions	2.8	3.0 %	2.8	1.1 %
Solid waste revenues	$ 4.4	4.7 %	$ 23.0	9.1 %

Price.

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

- $5.7 million from favorable collection pricing; and
- $2.0 million from favorable disposal pricing related to transfer stations and landfills.

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

- $16.8 million from favorable collection pricing; and
- $6.7 million from favorable disposal pricing related to transfer stations and landfills.

Volume.

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

- $(4.5) million from lower disposal volumes (of which $(3.3) million relates to lower transfer station volumes, $(1.3) million relates to decreased landfill volumes and $0.1 million associated with higher transportation volumes) due to slowing economic activity and, in the case of landfill volumes, the customer and material mix; partially offset by
- $0.1 million from higher collection volumes; and
- $0.1 million from higher processing volumes.

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

- $(5.8) million from lower disposal volumes (of which $(3.2) million relates to lower transfer station volumes, $(1.9) million is associated with decreased landfill volumes and $(0.7) million is associated with lower transportation volumes) due to slowing economic activity and, in the case of landfill volumes, the customer and material mix; and

- $(0.5) million from lower collection volumes associated with slowing economic activity and to a lesser extent purposeful shedding of less profitable customers; partially offset by
- $0.2 million from higher processing volumes.

Surcharges and other fees.

The decline in surcharges and other fees change component in quarterly solid waste revenues growth from the prior year period is the result of lower E&E Fee revenues, partially offset by higher SRA Fee revenues. Lower E&E Fee revenues associated with our fuel cost recovery program were the result of lower diesel fuel prices. Higher SRA Fee revenues were the result of lower recycled commodity prices and a higher customer participation rate.

The growth in surcharges and other fees change component in year-to-date solid waste revenues growth from the prior year period is the result of higher SRA Fee revenues, partially offset by lower E&E Fee revenues. Higher SRA Fee revenues were the result of lower recycled commodity prices and a higher customer participation rate. Lower E&E Fee revenues associated with our fuel cost recovery program were the result of lower diesel fuel prices, partially offset by a higher 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 fuel recovery programs and SRA Fee.

Acquisitions.

The acquisitions change components in quarterly and year-to-date solid waste revenues growth from the prior year periods are the result of increased acquisition activity in line with our growth strategy, including the timing and acquisition of one business in the nine months ended September 30, 2023 and two businesses in the fiscal year ended December 31, 2022.

Western Region

A summary of the period-to-period changes 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 September 30, 2023 vs. 2022		Period-to-Period Change for the Nine Months Ended September 30, 2023 vs. 2022	
	Amount	% Growth	Amount	% Growth
Price	$ 7.1	5.9 %	$ 21.6	6.5 %
Volume	(2.9)	(2.4)%	(5.8)	(1.8)%
Surcharges and other fees	(1.3)	(1.1)%	5.2	1.6 %
Commodity price and volume	—	— %	(1.6)	(0.5)%
Acquisitions	11.2	9.2 %	19.3	5.8 %
Solid waste revenues	$ 14.1	11.6 %	$ 38.7	11.6 %

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
- $1.8 million from favorable disposal pricing related to landfills, transfer stations, and transportation services.

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

- $16.1 million from favorable collection pricing; and
- $5.5 million from favorable disposal pricing related to landfills, transfer stations, and transportation services.

Volume.

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

- $(2.9) million from lower collection volumes associated with slowing economic activity, higher customer churn due to increased pricing and fees charged to additional customers, and to a lesser extent purposeful shedding of less profitable customers; and

- Disposal volumes were flat ($3.1 million of higher transfer station volumes, $(2.8) million in lower landfill volumes and $(0.3) million in lower transportation volumes) due to higher disposal volumes associated with the flooding caused by severe weather; offset by slowing economic activity.

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

- $(7.7) million from lower collection volumes associated with slowing economic activity, higher customer churn due to increased pricing and fees charged to additional customers, and to a lesser extent purposeful shedding of less profitable customers; partially offset by
- $1.9 million from higher disposal volumes (of which $4.5 million relates to higher transfers stations volumes; partially offset by $(2.1) million in lower landfill volumes and $(0.5) million in lower transportation volumes) related to higher disposal volumes associated with the flooding caused from severe weather; partially offset by slowing economic activity.

Surcharges and other fees.

The decline in surcharges and other fees change component in quarterly solid waste revenues growth from the prior year period is the result of lower E&E Fee revenues, partially offset by higher SRA Fee revenues. Lower E&E Fee revenues associated with our fuel cost recovery program were the result of lower diesel fuel prices. Higher SRA Fee revenues were the result of lower recycled commodity prices and a higher customer participation rate.

The growth in surcharges and other fees change component in year-to-date solid waste revenues growth from the prior year period is the result of higher SRA Fee and E&E Fee revenues. Higher SRA Fee revenues were the result of lower recycled commodity prices and a higher customer participation rate. Higher E&E Fee revenues associated with our fuel cost recovery program were the result of a higher customer participation rate, partially offset by lower diesel fuel prices.

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 recovery programs and SRA Fee.

Commodity price and volume.

The decline in commodity price and volume change component in year-to-date solid waste revenues growth from the prior year period is primarily associated with unfavorable commodity and energy pricing and lower gas-to-energy volumes; partially offset by higher commodity processing volumes.

Acquisitions.

The acquisitions change components in quarterly and year-to-date solid waste revenues growth from the prior year period are the result of increased acquisition activity in line with our growth strategy, including the timing and acquisition of the Twin Bridges Acquisition and two additional businesses in the nine months ended September 30, 2023, and ten businesses in the fiscal year 2022.

Mid-Atlantic Region

A summary of the period-to-period changes 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 September 30, 2023 vs. 2022	Period-to-Period Change for the Nine Months Ended September 30, 2023 vs. 2022
	Amount	Amount
Surcharges and other fees	$ 3.0	$ 3.0
Acquisitions	40.7	40.7
Solid waste revenues	$ 43.7	$ 43.7

Surcharges and other fees.

The surcharges and other fees change components in quarterly and year-to-date solid waste revenues growth from the prior year periods are the result of fuel surcharges and environmental fee revenues.

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 recovery programs.

Acquisitions.

The acquisitions change components in quarterly and year-to-date solid waste revenues growth from the prior year period are the result of the GFL Acquisition, which resulted in $40.2 million in collection revenue and $0.5 million in transfer station revenue.

Operating Income (Loss)

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

	Three Months Ended September 30,		$ Change	Nine Months Ended September 30,		$ Change
	2023	2022		2023	2022	
Eastern	$ 11.2	$ 10.1	$ 1.1	$ 20.8	$ 14.0	$ 6.8
Western	20.5	22.4	(1.9)	51.9	51.6	0.3
Mid-Atlantic	(0.7)	—	(0.7)	(0.7)	—	(0.7)
Resource Solutions	4.1	4.5	(0.4)	2.9	14.5	(11.6)
Corporate Entities	(0.9)	(0.7)	(0.2)	(7.8)	(1.9)	(5.9)
Operating income	$ 34.2	$ 36.3	$ (2.1)	$ 67.1	$ 78.2	$ (11.1)

Eastern Region

Operating income increased $1.1 million quarterly and $6.8 million year-to-date from the prior year periods. Excluding the impact of the Southbridge Landfill closure charge, the FLSA-related legal settlement charge and the expense from acquisition activities, our operating performance in the three and nine months ended September 30, 2023 was driven by revenue growth, inclusive of inter-company revenues, more than offsetting the following cost changes.

Cost of operations

Cost of operations increased $3.4 million quarterly and $14.2 million year-to-date from the prior year periods due to the following:

- Direct costs increased in aggregate dollars primarily due to: higher disposal costs, including landfill disposal costs, driven by acquisition-related growth and higher disposal rates due to inflationary pressures; partially offset by lower hauling and transportation costs on lower organic disposal volumes;
- Direct labor costs increased in aggregate dollars primarily due to: (i) inflationary pressures; and (ii) acquisition activity; partially offset by (i) lower spend on outside labor, (ii) lower organic disposal volumes; and (iii) improved routing efficiencies;
- Fuel costs decreased in aggregate dollars primarily due to: lower diesel fuel prices and lower organic solid waste volumes; partially offset by higher diesel fuel consumption related to acquisition-related 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 driven by higher fleet and container maintenance costs due to: (i) higher personnel related expenses and supply costs related to repairs and parts associated with acquisition-related growth and inflationary pressures; and (ii) higher vehicle maintenance costs from delays in the delivery of fleet replacements; partially offset by lower spend on outside container repairs; and
- Other operational costs increased in aggregate dollars driven by: (i) higher facility costs primarily associated with an increase in spend on outside repairs; and (ii) higher personnel related expenses due to acquisition-related growth and inflationary pressures.

General and administration

General and administration expense increased $1.8 million quarterly and $4.8 million year-to-date from the prior year periods due primarily to: (i) wage inflation; (ii) the allocation of higher shared service costs; and to a lesser extent (iii) quarterly acquisition-related growth; partially offset by lower accrued incentive compensation costs.

Depreciation and amortization

Depreciation and amortization expense increased $0.5 million quarterly and $1.5 million year-to-date from the prior year periods due to higher landfill amortization expense as the result of changes in cost and other assumptions from prior year more than offsetting lower landfill volumes; partially offset year-to-date by additional depreciation and other amortization expense related to a purchase price allocation adjustment in the quarter ended March 31, 2022.

Western Region

Operating income decreased $(1.9) million quarterly and increased $0.3 million year-to-date from the prior year periods. Excluding the impact of the FLSA-related legal settlement charge, expense from acquisition activities and the environmental remediation charge, our operating performance in the three and nine months ended September 30, 2023 was driven by revenue growth, inclusive of inter-company revenues, and the following cost changes.

Cost of operations

Cost of operations increased $14.5 million quarterly and $31.8 million year-to-date from the prior year periods due to the following:

- Direct costs increased in aggregate dollars primarily due to: higher hauling, transportation and disposal costs, including landfill disposal costs, driven by (i) acquisition-related growth; and (ii) higher third-party disposal rates and hauling charges due to inflationary pressures; partially offset by lower hauling and transportation costs on lower organic collection volumes;
- Direct labor costs increased in aggregate dollars primarily due to: acquisition-related growth and inflationary pressures; partially offset by improved routing efficiencies;
- Direct operational costs increased in aggregate dollars primarily due to: (i) acquisition-related growth; (ii) inflationary pressures; (iii) higher accretion expense associated with changes in the timing and cost estimates of our closure, post-closure, and capping obligations; (iv) higher year-to-date host community and royalty fees; (v) and higher tire repair and replacement costs; partially offset by lower vehicle insurance costs quarterly and landfill related operating costs on lower volumes;
- Maintenance and repair costs increased in aggregate dollars due to higher fleet maintenance costs driven by: (i) personnel related expenses, supply costs related to repairs and parts and outside repair spend associated with acquisition-related growth and inflationary pressures; and (ii) higher vehicle maintenance costs from delays in the delivery of fleet replacements; and
- Other operational costs increased in aggregate dollars driven by higher facility costs primarily due to: higher spend on outside repairs and personnel related expenses associated with acquisition-related growth and inflationary pressures; partially offset by a gain on resolution of acquisition-related contingent consideration associated with the reversal of a contingency for a transfer station permit expansion that is no longer deemed viable; partially offset by
- Fuel costs decreased in aggregate dollars primarily due to: lower diesel fuel prices and lower collection volumes; partially offset by higher diesel fuel consumption related to acquisition-related 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.

General and administration

General and administration expense increased $2.3 million quarterly and $5.5 million year-to-date from the prior year periods, due primarily to (i) acquisition-related growth; (ii) wage inflation; (iii) an increase in general overhead costs due to inflationary pressures and to support business growth; and (iv) the allocation of higher shared service costs; partially offset by lower accrued incentive compensation costs quarterly.

Depreciation and amortization

Depreciation and amortization expense increased $4.2 million quarterly and $10.2 million year-to-date from the prior year periods due primarily to (i) acquisition activity; (ii) increased investment in our fleet; and (iii) higher landfill amortization expense attributed to changes in cost and other assumptions from prior year more than offsetting lower landfill volumes.

Mid-Atlantic

Collection and transfer station operations for our Mid-Atlantic region operating segment commenced on July 1, 2023. Operating deficit was $(0.7) million for the Mid-Atlantic region operating segment in the three and nine months ended September 30, 2023 driven primarily by solid waste collection services, as revenues, inclusive of inter-company revenues, was more than offset by $30.0 million cost of operations, $3.0 million of general and administration expense, $10.2 million of depreciation and amortization expense and $1.5 million of expense from acquisition activities, comprised primarily of legal, consulting and integration costs pertaining to the GFL Acquisition.

Resource Solutions

Operating income decreased $(0.4) million quarterly and $(11.6) million year-to-date from the prior year periods. Excluding the impact of the expense from acquisition activities, our operating performance in the three and nine months ended September 30, 2023 was driven by revenue decline, inclusive of inter-company revenues, and the following cost changes.

Cost of operations

Cost of operations decreased $(1.7) million quarterly and increased $4.7 million year-to-date from the prior year periods due to the following:

- Direct costs increased in aggregate dollars year-to-date due primarily to: (i) higher disposal rates and hauling charges related to inflationary pressures; and (ii) higher costs associated with the diversion of materials from our Boston, Massachusetts material recovery facility, which underwent a retrofit during the nine months ended September 30, 2023; partially offset year-to-date, and more than offset in total quarterly, by lower purchased material costs;
- Maintenance and repair costs increased in aggregate dollars due to higher fleet and year-to-date container maintenance costs driven by personnel related expenses and supply costs related to repairs and parts associated primarily with inflationary pressures;
- Other operational costs increased in aggregate dollars driven by higher facility costs primarily due to: (i) higher year-to-date spend on outside repairs; (ii) increased facility insurance costs; and (iii) higher personnel related expenses primarily due to inflationary pressures; and
- Direct labor costs decreased in aggregate dollars primarily due to lower outside labor costs associated with the diversion of materials from our Boston, Massachusetts material recovery facility, which underwent a retrofit during the nine months ended September 30, 2023.

General and administration

General and administration expense decreased $(0.2) million quarterly and increased $1.7 million year-to-date from the prior year periods due to: (i) wage inflation; (ii) an increase in general overhead costs associated with inflationary pressures; and (iii) the allocation of higher shared service costs; partially offset year-to-date and more than offset quarterly by (i) lower accrued incentive compensation costs; and (ii) lower bad debt expense.

Depreciation and amortization:

Depreciation and amortization expense increased $0.3 million quarterly and $0.6 million year-to-date from the prior year periods due primarily to the timing of acquisition activity.

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 deficit increased $(0.2) million quarterly and $(5.9) million year-to-date from the prior year periods due to unallocated acquisition related expenses year-to-date, comprised primarily of legal, consulting and other similar costs.

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. As of September 30, 2023, we had $272.3 million of undrawn capacity from our $300.0 million revolving credit facility ("Revolving Credit Facility") and $219.1 million of cash and equivalents to help meet our short-term and long-term liquidity needs. We expect existing cash and cash equivalents combined with available 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: (i) acquisitions, (ii) capital expenditures and leases, (iii) repayments to service debt and other long-term obligations and (iv) 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 cash, restricted assets and debt balances, excluding any debt issuance costs, (in millions) follows:

	September 30, 2023	December 31, 2022	$ Change
Cash, cash equivalents and restricted cash:			
Cash and cash equivalents	$ 219.1	$ 71.2	$ 147.9
Restricted cash	2.7	—	2.7
Total cash, cash equivalents and restricted cash	$ 221.8	$ 71.2	$ 150.6
Current assets, excluding cash, cash equivalents and restricted cash	$ 194.3	$ 136.3	$ 58.0
Restricted assets	$ 1.9	$ 1.9	$ —
Total current liabilities:			
Current liabilities, excluding current maturities of debt	$ 219.2	$ 168.6	$ 50.6
Current maturities of debt	34.0	9.0	25.0
Total current liabilities	$ 253.2	$ 177.6	$ 75.6
Debt, less current portion	$ 1,024.0	$ 594.5	$ 429.5

Current assets, excluding cash, cash equivalents and restricted cash, increased $58.0 million and current liabilities increased $75.6 million in the nine months ended September 30, 2023, resulting in a $(17.6) million decline in working capital, net (defined as current assets, excluding cash, cash equivalents and restricted cash, minus current liabilities), from $(41.3) million as of December 31, 2022 to $(58.9) million as of September 30, 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, cash equivalents and restricted cash increased $150.6 million in the nine months ended September 30, 2023. A summary of cash flows (in millions) follows:

	Nine Months Ended September 30,		
	2023	2022	$ Change
Net cash provided by operating activities	$ 157.8	$ 152.4	$ 5.4
Net cash used in investing activities	$ (937.2)	$ (161.1)	$ (776.1)
Net cash provided by financing activities	$ 930.0	$ 22.8	$ 907.2

Cash flows from operating activities.

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

	Nine Months Ended September 30,	
	2023	2022
Net income	$ 27.2	$ 44.7
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	116.1	93.1
Interest accretion on landfill and environmental remediation liabilities	7.5	6.0
Amortization of debt issuance costs	2.2	1.4
Stock-based compensation	6.7	5.6
Operating lease right-of-use assets expense	11.0	10.4
Disposition of assets, other items and charges, net	0.3	(0.3)
Loss from termination of bridge financing	8.2	—
Deferred income taxes	5.2	13.8
	184.4	174.7
Changes in assets and liabilities, net	(26.6)	(22.3)
Net cash provided by operating activities	$ 157.8	$ 152.4

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

Net cash provided by operating activities increased $5.4 million in the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022. This was the result of operational performance, partially 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 nine months ended September 30, 2023 as compared to the nine months ended September 30, 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 nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022 was primarily due to the following:

- a $(9.1) million unfavorable impact to operating cash flows associated with the change in accounts receivable primarily due to acquisition-related growth more than offsetting a favorable decrease in days sales outstanding from the prior year period;
- a $(7.5) million unfavorable impact to operating cash flows associated with the changes in accrued expenses, contract liabilities and other liabilities due to higher payments associated with landfill capping, closure and post closure activity and a higher decline in accrued payroll related primarily to accrued incentive compensation, partially offset by acquisition-related growth; and
- a $(4.3) million unfavorable impact to operating cash flows associated with the change in prepaid expenses, inventories and other assets associated with the timing of payments and acquisition-related growth; partially offset by
- a $16.6 million favorable impact to operating cash flows associated with the change in accounts payable due to acquisition-related growth and the favorable increase in days payable outstanding from the prior year period.

Cash flows from investing activities.

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

	Nine Months Ended September 30,	
	2023	2022
Acquisitions, net of cash acquired	$ (847.8)	$ (74.0)
Additions to property, plant and equipment	(90.4)	(87.7)
Proceeds from sale of property and equipment	1.0	0.6
Net cash used in investing activities	$ (937.2)	$ (161.1)

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

Acquisitions, net of cash acquired. In the nine months ended September 30, 2023, we acquired five businesses for total consideration of $845.1 million, including $842.6 million in cash and paid $5.2 million in holdback payments on businesses previously acquired, as compared to the nine months ended September 30, 2022 during which we acquired twelve businesses for total consideration of $78.1 million, including $72.7 million in cash, and paid $1.3 million in holdback payments on businesses previously acquired.

Capital expenditures. Capital expenditures were $2.7 million higher in the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022 primarily due to higher capital spend associated with (i) inflation; (ii) facility spend related to the purchase of a transfer station that was formerly leased and the retrofitting of our Boston, Massachusetts single-stream material recovery facility; (iii) development of rail side infrastructure at our Subtitle D landfill located in Mount Jewett, Pennsylvania and (iv) acquisition activity; partially offset by timing of spend for vehicles, machinery, equipment and containers.

Cash flows from financing activities.

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

	Nine Months Ended September 30,	
	2023	2022
Proceeds from long-term borrowings	$ 465.0	$ 82.2
Principal payments on debt	(18.5)	(57.4)
Payments of debt issuance costs	(12.8)	(1.2)
Payments of contingent consideration	—	(1.0)
Proceeds from the exercise of share based awards	0.1	0.2
Proceeds from the public offering of Class A common stock	496.2	—
Net cash provided by financing activities	$ 930.0	$ 22.8

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

Debt activity. Net cash associated with debt activity increased $421.7 million in the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022 due primarily to entering into the $430.0 million aggregate principal amount 2023 Term Loan Facility in June 2023 and the issuance of $35.0 million aggregate principal amount of New York Bonds 2020R-2 in August 2023, partially offset by the issuance of $35.0 million aggregate principal amount of Vermont Bonds 2022A-1 in the prior year period.

Payment of debt issuance costs. We paid $12.8 million of debt issuance costs in the nine months ended September 30, 2023, which included $8.7 million related to bridge financing activities associated with the GFL Acquisition and the Twin Bridges Acquisition. In the nine months ended September 30, 2022, we paid $1.2 million of debt issuance costs related to the issuance of Vermont Bonds 2022A-1.

Proceeds from the public offering of Class A Common Stock. On June 16, 2023, we completed a public offering of 6.1 million shares of our Class A common stock at a public offering price of $85.50 per share. After deducting stock issuance costs as of September 30, 2023, including underwriting discounts, commissions and offering expenses, the offering resulted in net proceeds of $496.2 million. The net proceeds from this offering were and are to be used to fund acquisition activity, including the GFL Acquisition and the Twin Bridges Acquisition, to pay certain costs associated with acquisition activities, and to repay borrowings and/or debt securities.

Outstanding Long-Term Debt

Financing Activities

In February 2023, we entered into first and second amendments to our amended and restated credit agreement dated as of December 22, 2021 (collectively with the third amendment and the Loan Joinder disclosed below, the "Amended and Restated Credit Agreement"). The first amendment provides, commencing in the fiscal year ending December 31, 2024, that 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 the prior fiscal year: (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 or minus any sustainable rate adjustment plus an applicable interest rate margin based upon our consolidated net leverage ratio.

In April 2023, we entered into an equity purchase agreement pursuant to which we agreed to the GFL Acquisition. In connection with the GFL Acquisition, we entered into (i) a commitment letter to obtain short-term secured bridge financing of up to $375.0 million and (ii) the third amendment to the Amended and Restated Credit Agreement to, among other things, permit the draw down of the short-term secured bridge financing and authorize a delayed draw term loan facility to be executed with customary limited condition provisions. The short-term secured bridge financing was undrawn and subsequently terminated in May 2023 when we entered into the specified acquisition loan joinder, dated May 25, 2023 ("Loan Joinder"), which provided for a $430.0 million aggregate principal amount 2023 Term Loan Facility under the Amended and Restated Credit Agreement. In June 2023, we borrowed $430.0 million under the 2023 Term Loan Facility and paid certain fees and costs due and payable in connection therewith. Borrowings from the 2023 Term Loan Facility were used to fund, in conjunction with the net proceeds from the public offering of our Class A common stock completed on June 16, 2023, cash and cash equivalents and borrowings from our Revolving Credit Facility, the GFL Acquisition. See Note 9, *Stockholders' Equity* to our consolidated financial statements included in Part I. Item. 1 of this Quarterly Report on Form 10-Q for further disclosure regarding the public offering.

In June 2023, we entered into an asset purchase agreement pursuant to which we agreed to the Twin Bridges Acquisition. In connection with the Twin Bridges Acquisition, we entered into a commitment letter to obtain short-term unsecured bridge financing of up to $200.0 million that was undrawn and subsequently terminated when we completed a public offering of our Class A common stock on June 16, 2023. See Note 9, *Stockholders' Equity* to our consolidated financial statements included in Part I. Item. 1 of this Quarterly Report on Form 10-Q, regarding the public offering.

In August 2023, we completed the issuance of $35.0 million aggregate principal amount of New York Bonds 2020R-2. The New York Bonds 2020R-2, which are unsecured and guaranteed jointly and severally, fully and unconditionally by all of our significant wholly-owned subsidiaries, accrue interest at 5.125% per annum from August 24, 2023 through September 2, 2030, at which time they may be converted to a variable interest rate period or to a new term interest rate period. The New York Bonds 2020R-2 mature on September 1, 2050. As of September 30, 2023, we had $2.7 million of remaining cash proceeds from the issuance of the New York Bonds 2020R-2 included in restricted cash and assets that is restricted to finance or reimburse certain noncurrent asset costs associated with capital projects in the State of New York.

Credit Facility

As of September 30, 2023, we are party to the Amended and Restated Credit Agreement, which provides for a $350.0 million aggregate principal amount term loan A facility ("Term Loan Facility"), a $300.0 million Revolving Credit Facility, with a $75.0 million sublimit for letters of credit, and a $430.0 million 2023 Term Loan Facility (collectively, the "Credit Facility"). 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 further increase based on 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. The Credit Facility 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 or minus any sustainable rate adjustment of up to positive or negative 4.0 basis points per annum, plus an applicable interest rate margin based upon our consolidated net leverage ratio as follows:

	Term SOFR Loans	Base Rate Loans
Term Loan Facility	1.125% to 2.125%	0.125% to 1.125%
Revolving Credit Facility	1.125% to 2.125%	0.125% to 1.125%
2023 Term Loan Facility	1.625% to 2.625%	0.625% to 1.625%

A commitment fee will be charged on undrawn amounts at a rate of 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 0.20% to 0.40% per annum, plus a sustainability adjustment of up to positive or negative 1.0 basis point per annum. The Amended and Restated Credit Agreement provides that Term SOFR is subject to a zero percent floor. 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 September 30, 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 September 30, 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 September 30, 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 September 30, 2023	Covenant Requirements at September 30, 2023
Maximum consolidated net leverage ratio (1)	2.89	5.00
Minimum interest coverage ratio	9.15	3.00

(1) The maximum consolidated net leverage ratio is calculated as consolidated funded debt, net of up to $100.0 million of unencumbered cash and cash equivalents in excess of $2.0 million (calculated at $958.0 million as of September 30, 2023, or $1,058.0 million of consolidated funded debt less $100.0 million total of unencumbered cash and cash equivalents), divided by consolidated EBITDA. Consolidated EBITDA is based on operating results for the twelve months preceding the measurement date of September 30, 2023. Consolidated funded debt, net 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 September 30, 2023
Net cash provided by operating activities	$ 222.7
Changes in assets and liabilities, net of effects of acquisitions and divestitures	15.5
Stock based compensation	(9.3)
Loss from termination of bridge financing	(8.2)
Operating lease right-of-use assets expense	(5.6)
Disposition of assets, other items and charges, net	(1.3)
Interest expense, less amortization of debt issuance costs	35.6
Provision for income taxes, net of deferred income taxes	4.1
Adjustments as allowed by the Amended and Restated Credit Agreement	78.3
Consolidated EBITDA	$ 331.8

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 September 30, 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.

Tax-Exempt Financings and Other Debt

As of September 30, 2023, we had outstanding $232.0 million aggregate principal amount of tax exempt bonds; $51.1 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 and nine months ended September 30, 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 fuel cost recovery programs, primarily the energy component of our E&E Fee, which 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 programs. 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 eastern 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 fuel cost recovery programs, primarily the energy component of our energy and environmental fee ("E&E Fee(s)"), which 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 September 30, 2023, combined with our expected fuel consumption related to the acquisition of the equity interests of four wholly owned subsidiaries of GFL Environmental Inc., which are the basis of a newly formed regional operating segment, the Mid-Atlantic region, that expanded our integrated solid waste services to the states of Delaware and Maryland ("GFL Acquisition"), and after considering physically settled fuel contracts, we believe a $0.40 cent per gallon change in the price of diesel fuel would change our direct fuel costs by approximately $5.1 million annually, or $1.3 million quarterly. 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 September 30, 2023 and considering the GFL Acquisition, we believe a $0.40 cent per gallon change in the price of diesel fuel would change the energy component of the E&E Fee by approximately $5.2 million annually, or $1.3 million quarterly. 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.

In the three and nine months ended September 30, 2023, our fuel costs were $13.6 million, or 3.9% of revenue, and $34.0 million, or 3.8% of revenue, respectively, as compared to $12.1 million, or 4.1% of revenue, and $35.6 million, or 4.4% of revenue, in the three and nine months ended September 30, 2022, respectively.

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 September 30, 2023, we were not party to any commodity hedging agreements.

Should recycled material commodity prices change by $10 per ton, we estimate that our operating income margin would change by approximately $1.0 million annually, or $0.3 million quarterly. Our sensitivity to changes in commodity prices is complex because each customer contract is unique relative to revenue sharing, tipping or processing fees and other arrangements. The above operating income impact may not be indicative of future operating results and actual results may vary materially.

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 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.

A summary of the changes to the notional amount of interest rate derivative agreements follows:

	Nine Months Ended September 30, 2023		
	Active	**Forward Starting**	**Total**
Beginning balance	$ 190.0	$ 20.0	$ 210.0
Additions	290.0	—	290.0
Commencements	20.0	(20.0)	—
Maturities	(85.0)	—	(85.0)
Ending balance (1)	$ 415.0	$ —	$ 415.0

(1) We receive interest based on term secured overnight financing rate, restricted by a 0.0% floor, and pay interest at a weighted average rate of approximately 3.41%. These agreements mature between February 2026 and June 2028.

As of September 30, 2023, we had $283.3 million of fixed rate debt in addition to the $415.0 million fixed through our interest rate derivative agreements; and interest rate risk relating to approximately $359.6 million of long-term debt. The weighted average interest rate on the variable rate portion of long-term debt was approximately 7.0% at September 30, 2023. Should the average interest rate on the variable rate portion of long-term debt change by 100 basis points, we estimate that our interest expense would change by approximately $3.6 million annually, or $0.9 million quarterly.

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 September 30, 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 September 30, 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 September 30, 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 5. OTHER INFORMATION

Director and Officer Trading Arrangements

A portion of the compensation of our directors and officers (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended ("Exchange Act")) is in the form of equity awards, including restricted stock units ("RSU(s)") and performance stock units ("PSU(s)"), and, from time to time, directors and officers engage in open-market transactions with respect to the securities acquired pursuant to such equity awards or other securities of ours, including to satisfy tax withholding obligations when equity awards vest or are exercised, and for diversification or other personal reasons.

Transactions in our securities by directors and officers are required to be made in accordance with our insider trading policy, which requires that the transactions be in accordance with applicable U.S. federal securities laws that prohibit trading while in possession of material nonpublic information. Rule 10b5-1 under the Exchange Act provides an affirmative defense that enables directors and officers to prearrange transactions in our securities in a manner that avoids concerns about initiating transactions while in possession of material nonpublic information.

The following table describes, for the quarter ended September 30, 2023 covered by this Quarterly Report on Form 10-Q, each trading arrangement for the sale or purchase of our securities adopted or terminated by our directors and officers that is either (1) a contract, instruction or written plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) (a "Rule 10b5-1 trading arrangement") or (2) a "non-Rule 10b5-1 trading arrangement" (as defined in Item 408(c) of Regulation S-K):

Name (Title)	Action Taken (Date of Action)	Type of Trading Arrangement	Nature of Trading Arrangement	Duration of Trading Arrangement	Aggregate Number of Securities
John W. Casella (Chairman of the Board of Directors, Chief Executive Officer and Secretary)	Adoption (08/22/2023)	Durable Rule 10b5-1 trading arrangement for sell-to-cover transactions relating to certain equity awards that have or may be granted	Sale	Until final settlement of any covered RSU or PSU	Indeterminable(1)
Edmond "Ned" R. Coletta (President and Chief Financial Officer)	Adoption (08/02/2023)	Durable Rule 10b5-1 trading arrangement for sell-to-cover transactions relating to certain equity awards that have or may be granted	Sale	Until final settlement of any covered RSU or PSU	Indeterminable(1)
Shelley E. Sayward (Senior Vice President and General Counsel)	Adoption (08/02/2023)	Durable Rule 10b5-1 trading arrangement for sell-to-cover transactions relating to certain equity awards that have or may be granted	Sale	Until final settlement of any covered RSU or PSU	Indeterminable(1)
Sean M. Steves (Senior Vice President and Chief Operating Officer of Solid Waste Operations)	Adoption (08/02/2023)	Durable Rule 10b5-1 trading arrangement for sell-to-cover transactions relating to certain equity awards that have or may be granted	Sale	Until final settlement of any covered RSU or PSU	Indeterminable(1)
Kevin J. Drohan (Vice President and Chief Accounting Officer)	Adoption (08/02/2023)	Durable Rule 10b5-1 trading arrangement for sell-to-cover transactions relating to certain equity awards that have or may be granted	Sale	Until final settlement of any covered RSU or PSU	Indeterminable(1)
Paul J. Ligon (Senior Vice President Sustainable Growth)	Adoption (08/02/2023)	Durable Rule 10b5-1 trading arrangement for sell-to-cover transactions relating to certain equity awards that have or may be granted	Sale	Until final settlement of any covered RSU or PSU	Indeterminable(1)
Douglas R. Casella (Vice Chairman)	Adoption (08/20/2023)	Durable Rule 10b5-1 trading arrangement for sell-to-cover transactions relating to certain equity awards that have or may be granted	Sale	Until final settlement of any covered RSU or PSU	Indeterminable(1)

(1) The number of shares subject to covered RSUs or PSUs that will be sold to satisfy applicable tax withholding obligations upon vesting is unknown as the number will vary based on the extent to which vesting conditions are satisfied, the market price of our common stock at the time of settlement and the potential future grant of additional RSUs or PSUs subject to this arrangement. This trading arrangement, which applies to RSUs or PSUs whether vesting is based on the passage of time and/or the achievement of performance goals, provides for the automatic sale of shares that would otherwise be issuable on each settlement date of a covered RSU or PSU in an amount sufficient to satisfy the applicable withholding obligation, with the proceeds of the sale delivered to us in satisfaction of the applicable withholding obligation.

None of our directors or officers terminated a Rule 10b5-1 trading arrangement or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the quarterly period covered by this report.

ITEM 6. EXHIBITS

Exhibit No.	Description
10.1	Amended and Restated Guaranty Agreement, dated as of August 1, 2023, by the guarantors named therein, in favor of U.S. Bank Trust Company, National Association, as trustee (incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K of Casella as filed on August 24, 2023 (file no. 000-23211)).
10.2 +	Employment Agreement between Casella Waste Systems, Inc. and Bradford J. Helgeson dated as of October 31, 2023.
10.3 +	Offer Letter between Casella Waste Systems, Inc. and Bradford J. Helgeson dated as of October 31, 2023.
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 September 30, 2023 and December 31, 2022, (ii) Consolidated Statements of Operations for the three and nine months ended September 30, 2023 and 2022, (iii) Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2023 and 2022, (iv) Consolidated Statements of Stockholders' Equity for the three and nine months ended September 30, 2023 and 2022, (v) Consolidated Statements of Cash Flows for the nine months ended September 30, 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: November 2, 2023	By: /s/ Kevin Drohan
	Kevin Drohan Vice President and Chief Accounting Officer (Principal Accounting Officer)
Date: November 2, 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 31st day of October, 2023 (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 Bradford J. Helgeson an individual and a resident of Basking Ridge, New Jersey ("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 continue to employ Employee, and Employee accepts such continued 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 is the Executive Vice President and Chief Financial Officer (or such other and comparable titles and positions as shall be given Employee by the Chief Executive Officer or President 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 President of the 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 the Company's Home Office, 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 November 6, 2023, and ending on the first 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 Base Salary. Subject to the next sentence of this Section 3.1.1, Employee shall be compensated at the annual rate of Four Hundred Fifty Thousand Dollars ($450,000) ("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.

3.2 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 eighty five percent (85%) of Employee’s Base Salary, (ii) issuance of additional stock options, restricted stock units (“RSUs”) or performance-based units (“PSUs”) of Company or (iii) a combination of both cash and stock options, RSUs or PSUs in an amount to be determined after 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 payable no later than 2½ 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 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.

3.4 Participation in Benefit Plans. Subject to each plan’s Employee eligibility and contribution requirement, Employee shall be entitled to continue to 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, 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 (as defined in Section 4.4.1(e)), 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 annual paid time off in accordance with the Company Employee Handbook and the standard Company holidays. Company shall have no obligation to pay Employee for any unused vacation, except as provided in the Company Employee Handbook and by applicable law.

3.6 Fringe Benefits and Perquisites. Employee shall be entitled to 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 payable in a lump sum within sixty (60) days of the date of Employee's death, (ii) the Acceleration Payment, payable in a lump sum within sixty (60) days of the date of Employee's death, and (iii) 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(c), (ii) the Acceleration Payment, payable as described in Section 4.4.1(a), (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(c), (ii) the Acceleration Payment, payable as described in Section 4.4.1(a), (iii) Severance Benefits for the Severance Benefit Term, and (iv) the accelerated vesting at the time of termination of any stock options, RSUs or other 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) "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) any Bonus relating to the prior fiscal year which, as of the date of termination, had been determined by Company pursuant to Section 3.2 but not yet paid prior to the date of termination and (iii) any vacation accrued but unused prior to the date of termination. The Acceleration Payment due under (i) shall be payable in a lump sum immediately upon Employee's termination, and the Acceleration Payment due under (ii) and (iii) (the "Contingent AP Amounts") shall be payable in a lump sum within sixty (60) days of the date of Employee's termination, subject, in the case of the contingent AP Amounts only, to Sections 11 and 20. The Acceleration Payment due under (i) is not "deferred compensation" within the meaning of Section 409A (as defined below) and the Contingent AP Amounts are intended to, and shall be construed to, fit within the short-term deferral exception in Section 409A.

(b) "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 Executive 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 base compensation, or a material change in the geographic location at which the employee must perform services for the Company; 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.

(c) "Severance" means the sum of: (i) one (1) times 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" or by reason of Death or Disability; and (ii) one (1) times Employee's target annual cash incentive compensation opportunity under the Company's Non-Equity Incentive Plan (or such successor plan as may be in effect from time to time) for the fiscal year in which termination occurs. Severance due under (i) shall be paid bi-weekly in accordance with Company payroll procedures, commencing within sixty (60) days of Employee's 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.

(d) "Severance Benefits" means should Employee be eligible for and elect to receive continued group medical and dental insurance through COBRA, the Company and Employee shall each continue to pay their respective portions of the premiums for such benefits as would be applicable to active and similarly situated employees of the Company. 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.

(e) "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 or by reason of Disability; provided however that Company's obligation to provide Severance Benefits (i) shall terminate upon Employee becoming eligible for coverage under the medical benefits program of a subsequent employer and (ii) shall not be construed to extend any period of continuation coverage (e.g. COBRA) required by U.S. federal law.

(f) "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(b) 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(c), (ii) the Acceleration Payment, payable as described in Section 4.4.1(a), (iii) Severance Benefits for the Severance Benefit Term and (iv) the accelerated vesting at the time of termination of any stock options or other equity grants (such as RSUs, with respect to which payment 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.

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 (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 pertaining to waste management and recycling, 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 Contingent AP Amounts 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 Contingent AP Amount, 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,

including, without limitation, claims or demands 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 required by law to be afforded to Employee relative to the execution and revocation of such a General Release. Employee understands and agrees that no Severance Benefits, Severance or Contingent AP Amounts 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: President

(b) If to Employee:

Bradford J. Helgeson Basking Ridge, NJ
helgeson.brad@gmail.com

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 her 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:

	BRADFORD J. HELGESON
Witness: /s/ Angela C. Lee	/s/ Bradford J. Helgeson
Date: 10/31/2023	Date: 10/31/2023
	CASELLA WASTE SYSTEMS, INC.
Witness: /s/ Jacob Jones	By: /s/ Edmond R. Coletta
Date: 10/31/2023	Name: Edmond R. Coletta, President & CFO
	Date: 10/31/2023

Exhibit 10.3

October 31, 2023

Bradford J. Helgeson
Basking Ridge, NJ
helgeson.brad@gmail.com

Dear Brad:

We are pleased to extend you an offer of employment as our Executive Vice President and Chief Financial Officer with Casella Waste Systems, Inc. (Casella) beginning on or about November 6, 2023. In this position you will report directly to myself. We expect you to spend approximately four (4) days per week at Casella's home office in Rutland or at other Casella sites.

1. **Base Pay**. Your base pay will be eighteen thousand seven hundred fifty dollars ($18,750) payable on a semi-monthly basis. Your semi-monthly pay amounts to an annual base salary of four hundred fifty thousand dollars ($450,000). Standard taxes and withholding as required by law will be deducted from your paycheck each pay period. You will have a review of your performance on the department's common anniversary of April 1st and based on your performance and results achieved, you may be eligible for an additional increase at that time.

2. **Bonus**. You will be eligible to participate in our annual incentive plan with a bonus target of eighty five percent (85%) of your annual base salary. The actual amount of any bonus will be based on overall company performance and your performance relative to the annual goals established for your position in accordance with the Company Incentive Compensation Plan. The bonus criteria will be outlined the beginning of each calendar year.

3. **Stock.** This position will be eligible to participate in the annual Restricted Stock program administered annually by the Board of Directors. Your participation will be at levels comparable to similar roles within Casella and will be ultimately defined by the Board of Directors during their annual stock compensation grant review.

   We anticipate you to receive an annual grant of one hundred seventy-five thousand dollars ($175,000) of Restricted Stock Units (RSUs) and five hundred twenty-five thousand dollars ($525,000) of Performance Stock Units (PSUs) each year during the typical first quarter grant period. These RSUs will vest in three (3) equal installments, with the first one-third vesting on the first anniversary, the second one-third vesting on the second anniversary, and the last one-third vesting on the third anniversary. The PSUs will have company-wide performance targets set at the time of the grant, and based upon the achievement of such performance targets, the PSUs will vest after the completion of the third year.

   In addition, we would like to offer you a one-time grant of one hundred fifty thousand dollars ($150,000) of Restricted Stock Units (RSUs) on your first day. The number of RSUs will be determined as such: one hundred fifty thousand dollars ($150,000) grant divided by the closing market price of CWST on your starting day. These RSUs will vest in three (3) equal installments, with the first one-third vesting on the first anniversary, the second one-third vesting on your second anniversary, and the last one-third vesting on your third anniversary.

We would also like to offer you a one-time grant of seventeen thousand five hundred (17,500) Stock Options (Options) on your first day, with the split between Incentive Stock Options (ISO) and Nonqualified Stock Options (NQ) to be determined based on the stock value, the strike price will be set to the closing price as of your first day, and the options will have a ten (10) year term. These Options will vest in five (5) equal installments, with the first one-fifth vesting on the first anniversary, the second one-fifth vesting on your second anniversary, the third one-fifth vesting on your third anniversary, the fourth one-fifth vesting on your fourth anniversary, and the final one-fifth vesting on your fifth anniversary.

4. **Benefits**. In exception to our standard policy, you will be eligible to receive four (4) weeks paid time off (combination of vacation and personal time) during your first through ninth (9th) year with your initial year pro-rated to your start date, after which time you will receive additional paid time off in accordance with Company policy. In addition, you will receive six (6) paid holidays.

   You will become eligible for our medical benefits on the first of the month following sixty (60) consecutive days of employment. A Benefit Enrollment Guide will be sent to you within your first month of employment. The Company will reimburse you for your COBRA costs until you become eligible for your Casella sponsored benefits.

   Similarly, you will be eligible to participate in the 401(k) as a salaried employee with a fifty percent (50%) match up to two percent (2%) of your annual income, or one thousand five hundred dollars ($1,500), whichever is greater.

5. ***Relocation:*** You will be eligible to receive a one-time, taxable relocation allowance to be mutually determined ahead of such relocation to assist you with your relocation to the greater Rutland, VT area. This payment is intended to cover cost of this relocation and related costs. By signing this offer letter, you agree to pay this amount back to Casella on a pro-rata basis should you voluntarily leave the company within twenty-four (24) months of employment following the payment date or if terminated for cause within twelve (12) months of the payment date. Casella does not accept any responsibility for damage, theft, or loss of your household or personal belongings as a result of this payment for relocation expenses. This payment is considered wages by the IRS unless you can account for these expenses when you complete your taxes.

   Additionally, you will be eligible for reimbursement of temporary, transitional housing expenses for up to a period of two (2) months to assist you while you secure housing in the greater Rutland, VT area. This benefit can be extended at the discretion of the Company.

6. ***Business Travel.*** This position will require you to travel and therefore, expenses directly related to business travel – airfare, hotels, meals, etc. – will be reimbursed to you using the company expense reimbursement program. Business travel will be done using your personal vehicle, and you shall receive a $600 monthly vehicle allowance and a company fuel card.

7. ***Continuous Improvement & Professional Development***. As a member of the Casella team, you will have access to tools, training, and other technical assistance to aid in your personal and professional development to ensure you thrive within your field and with the Company.

8. ***Company Policies and Employee Handbook***. You will be guided by the policies, practices, and procedures set forth in the Casella Employee Handbook and eligible for the benefits conferred upon employees as described in the Employee Benefits Enrollment Guide.

9. ***Nondisclosure & Noncompetition Agreement***. As an employee of Casella Waste Systems, Inc. you are required to sign a Nondisclosure and Noncompetition Agreement (enclosed).
10. ***Contingencies.*** The employment offer above is contingent on a satisfactory background check and completion of reference checks. The offer is also contingent upon Board approval of your appointment as the Chief Financial Officer and the Compensation and Human Capital Committee approval of your up-front stock grants.

We are very excited about the opportunity for you to join our team and help build shareholder value. We believe your knowledge, energy and experience will help us achieve the goals we have established for our Company. We look forward to you joining our team, and would appreciate it if, upon receipt and review of this letter, you would confirm your acceptance of our offer.

Sincerely,

CASELLA WASTE SYSTEMS, INC.

/s/ Edmond R. Coletta

Ned Coletta
President & Chief Financial Officer

Understood, Accepted and Agreed:

By: /s/Bradford J. Helgeson 10/31/2023
Name Date

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: November 2, 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: November 2, 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 September 30, 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: November 2, 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 September 30, 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: November 2, 2023	By: /s/ Edmond R. Coletta
	President and Chief Financial Officer
	(Principal Financial Officer)