

REVENUE OBLIGATION SECURITIES FINDINGS AND CONCLUSIONS

In the matter of the application of Casella Waste Systems, Inc. for a Certificate of Approval for a project located in Hermon, Falmouth, Biddeford, Fairfield, Bethel, Hampden, Hermon, Houlton, Lewiston, Mars Hill, Mechanic Falls, Old Orchard Beach, Old Town, Saco, Scarborough, Unity, Waterville, West Bath and Westbrook, Maine, through the issuance of Revenue Obligation Securities in a principal amount not exceeding \$45,000,000 (the "Securities") issued pursuant to Subchapter III of Chapter 110 of Title 10 of the Maine Revised Statutes, as amended.

1. Casella Waste Systems, Inc. (the "Company") has applied to the Finance Authority of Maine (the Authority) pursuant to 10 M.R.S.A. §1043(1) for a Certificate of Approval for its project located in Hermon, Falmouth, Biddeford, Fairfield, Bethel, Hampden, Hermon, Houlton, Lewiston, Mars Hill, Mechanic Falls, Old Orchard Beach, Old Town, Saco, Scarborough, Unity, Waterville, West Bath and Westbrook, Maine (collectively, the "Project Locations").

2. The Company has requested the Authority to finance the project, which involves capital expenditures by the Company at many of its business locations throughout the state (the "Project"). The Project consists of the (1) refinancing of the currently outstanding \$25,000,000 stated principal amount of Finance Authority of Maine Solid Waste Disposal Revenue Bonds (Casella Waste Systems, Inc. Project) Series 2005R-3 (the "Series 2005 Bonds"), which financed certain solid waste disposal facilities, including landfill development costs and construction, disposal equipment and related improvements, Maine Energy Recovery Company capital maintenance, buildings and office improvements, office equipment, vehicles, containers, equipment, land and the costs of issuance of the Series 2005 Bonds; (2) financing of the acquisition, development, construction and/or equipping of facilities used in connection with the disposal, conversion, or reclamation of solid waste, including, without limitation: (A) the acquisition and equipping of new collection vehicles, trucks, trailers, solid waste disposal containers and related equipment, and computers; (B) the acquisition and installation of certain solid waste recycling sorting and processing equipment; (C) the acquisition, construction, improvement and equipping of certain solid waste disposal, collection, transfer, recycling and customer care facilities; (D) the acquisition and development of landfill facilities including (i) landfill cell development and liners to create additional disposal capacity at the Company's permitted landfill sites, (ii) landfill gas treatment and processing infrastructure, and (iii) other related costs including paving, grading and other infrastructure improvements; and (E) additional capital expenditures for the development, design, engineering, replacements, demolition, construction, and renovation that were, or will be, undertaken or incurred to accomplish the foregoing; and (3) the funding of the costs of issuance and other common costs of the Series 2024 Revenue Obligation Securities.

All such Project components were or are located or are to be located at and operated from and at one or more of the Project Locations identified above. The Project shall also include any installation, development, design, engineering, replacements, demolition, improvements, equipment, construction, renovation, structures, permitting and capital expenditures that were, or will be, undertaken or incurred to accomplish the foregoing.

3. Notice of Public Hearing on the application of the Company for a Certificate of Approval was published in the *Lewiston Sun Journal* and *Bangor Daily News* on October 26, 2024; in the *Kennebec Journal/Waterville Sentinel* and *Portland Press Herald* on October 27, 2024, and in the *Brunswick Times Record* on October 29, 2024. Notice of the Hearing was mailed directly by the Company to its known competitors on or about October 30, 2024 (collectively, the "Notices") pursuant to 10 M.R.S.A. §1043(1) and 10 M.R.S.A. §1043(2).

4. Prior to the public hearing, or following the public hearing but before the record was closed, the Authority received the following:

- a. Letters from officials in each of the municipalities in which the Project Locations are located and for which new proceeds of the Securities (i.e., not those municipalities in which only funds from the Series 2005 Bonds were, or were to be, expended, and not proceeds from the refinancing of the Series 2005 Bonds), are intended to be expended, regarding the effect, if any, the Project would have on public facilities in such municipality.
- b. A written assessment from the Maine Department of Environmental Protection (Maine DEP) dated November 7, 2024.
- c. Proof of mailing from the Company indicating the mailing of the Notice of Public Hearing to the identified competitors.

5. A public hearing was held on November 7, 2024, at which Company representatives were present and submitted additional testimony in support of the project to supplement the material submitted with the Company's application dated October 21, 2024, or subsequently added thereto by additional submissions prior to the hearing (all of such materials, collectively, the "Application"). Also present were several individuals who testified in opposition to the Project, many of whom also submitted written comments. Some written comments were received by opponents prior to the hearing.

4. Based upon the Application, the additional materials received by the Authority prior to the hearing, at the hearing, or before the record closed, and the testimony of the Company officials and others at the public hearing, as well as written comments of opponents received by the Authority, the Authority hereby determines that:

- a. **The Project will make a significant contribution to the economic growth of, the control of pollution in or the betterment of the health, welfare or safety of the inhabitants of the State of Maine.**

The facilities and projects supported by this financing are critical solid waste infrastructure in the State of Maine. The Juniper Ridge Landfill (JRL) in Old Town is one of key disposal sites in Maine, where over 50% of Maine's waste is taken in. The Maine DEP recently issued a Public Benefit Determination in October of 2024 (PBD), related to the proposed expansion of this landfill that would otherwise run out of space and create substantial challenges for the State to

dispose of its solid waste. Recycling is performed by Company at two separate locations, Lewiston and Scarborough, and organics are processed by Company facilities in Hermon, Falmouth and Unity. In 2023, the Company processed over 160,000 tons of recyclable and organic material.

The Securities will provide the Company competitive financing to assist the economic viability of a significant employer and business operation in the state. The Company employs over 510 people in Maine, with an annual payroll of over \$44 million. In 2023 they paid property taxes in excess of \$400,000, and sales and use taxes, host community fees, state waste and impact fees, as well as other community services totaling over \$6 million.

Those who testified in opposition to the project were citizens who expressed concerns with the general operations of the Company, as well as specific issues at two landfills that the Company now operates or formerly operated. They also expressed general opposition to the State providing any financial assistance to the Company because it was a profitable company and was based out-of-state. There were no specific objections to the detailed aspects of the Project other than that part of the project which might fund the potential expansion of the JRL.

Without discounting the concerns of the individuals who testified in opposition to the application, these concerns do not lessen or outweigh the significant contribution the Project will make to the state and its inhabitants as a whole. The operations of the Company's facilities are extensively permitted and licensed, and there is no evidence that the Company was not in compliance with its permits and licenses. While one or more opponents cited environmental concerns, specifically related to the JRL component of the Project (which is not part of the Project funded with new Securities proceeds), and its possible expansion, such concerns again did not reveal any violations of existing permitting. Further, any expansion will be subject to the conditions of approval imposed or to be imposed by Maine DEP that will address any environmental concerns related to an expansion, and this Project will not have any impact on whether any expansion is in fact approved. As for any existing issues with the JRL (or the now closed Pine Tree Landfill in Hamden), that too is the purview of Maine DEP. The DEP Assessment of November 7, 2024, indicates that Casella is not the subject of any pending compliance or enforcement issues.

b. The Project will not result in a substantial detriment to existing industry in the State of Maine.

Solid waste competition in the State of Maine is widespread, with many local and regional haulers collecting solid waste and recyclables, processing solid waste, construction and demolition waste and recyclables, and transferring and disposing of solid waste and other waste streams in waste to energy facilities and landfills. The impact of these capital expenditures does not significantly impact these competitors since the one disposal site for which the Company is requesting

funding (JRL) is state-owned and already accepts waste from customers throughout Maine, and, thus, the Project will not create a competitive barrier. In addition, the capital being spent at the recycling, hauling, and transfer stations is capital for currently operating sites, not creating new facilities, and thus should not significantly impact competition.

Some opposing members of the public referenced the Company's operations as "monopolistic." However, despite direct notice to all its known competitors, not one competitor appeared at the hearing or submitted any comments in opposition to the application.

The Authority is charged with determining whether the Project would have a substantial and materially adverse economic impact on existing businesses. Since the Project does not involve new facilities or significant expansions of existing facilities (other than the potential expansion of the JRL, which Maine DEP has found through the PBD to have public benefit), the Project would not appear to cause any significant impact on demand for disposal facilities, nor will it result in changes to market share of existing disposal facilities. The same is true for the recycling facilities in Lewiston and Scarborough, for which the Project is funding continued capital expenditures related to existing facilities or operations. The Project itself is not thus creating any substantial new supply of services in this industry.

Since no competitors objected to the Project, it could be deemed that no substantial or materially adverse impact to existing business would result from the Project. Nevertheless, given that no substantially new facilities are part of the Project, even if not so deemed, the Authority finds the Company has met its burden of establishing the Project will not result in a substantial detriment to existing industry in the State. In addition, the Authority finds that even if there were adverse impact on certain existing enterprises by virtue of the Project, the extent of the public benefit described above outweighs such negative impact.

c. Adequate provision is being made to meet any increased demand upon public facilities that might result from the Project.

As to those portions of the Project that involve the refinancing of the Series 2005 Bonds, findings were made as part of the Authority approval of the issuance of the Series 2005 Bonds that adequate provision was being made for any increased demand on public facilities in those related Project Locations that would result from the portions of the Project funded by the Series 2005 Bonds.

The record includes letters from each of the municipalities in which a Project Location that is being funded with new proceeds from the Securities (proceeds other than those used to refinance the Series 2005 Bonds) (New Money Project Locations) is located indicating that no adverse impact is expected, or that adequate provision is being made, as to public facilities in such municipality.

Moreover, the solid waste industry is highly regulated, and any adverse impact of the project on the state or municipalities' public facilities would be likely addressed as part of the permitting process for each facility.

- d. **The Maine Department of Environmental Protection (the "Department") has issued its written assessment to the Authority.**

The Department issued an Assessment dated November 7, 2024, and no material environmental compliance or other risk issues were identified therein.

- e. **The Company has committed, to the extent possible, to cooperate with the Maine Departments of Labor and Human Services, in the regarding employment opportunities for recipients of services of those Departments.**

The Company has committed in its Application and accompanying Employment Plan to cooperation with these Departments.

To the extent the Project is a recycling and waste reduction project:

- f. **The proposed facility is consistent with the State waste management and recycling plan under 38 M.R.S.A. Chapter 24 and will reduce the amount of solid or hazardous waste requiring disposal.**

Based on materials submitted by the Company, including the Maine DEP PBD, the JRL was found by DEP to be consistent with the State's Plan. Also, the recycling components of the Project are also consistent with the State's Plan in that they support recycling and processing of organics, leading to the reduction of landfill disposal needs.

To the extent the Project consists of primarily pollution control facilities:

- g. **The proposed users of the facilities contribute to the economy of the State.**

The company, as the user of the facilities that comprise the Project, makes a significant positive economic impact on the state. As stated above, they employ over 510 people in Maine, with an annual payroll of over \$44 million. In 2023 Casella paid nearly \$6.5 million in state and local Maine taxes, fees and host community payments. Other users of their facilities add additional amounts to the economy, though the extent of such contribution is difficult to quantify.

- h. **A public benefit will result from including the facilities in the Project.**

The public benefit of the Project is discussed in detail in Section (a) above, including, specifically, the Maine DEP PBD as it relates to the JRL.

- i. **It is unlikely that public facilities meeting needs of the users and securing comparable public benefits will become available in the reasonably foreseeable future.**

The state has very limited disposal facilities, and the JRL is an important state resource, in fact owned by the state. No new pollution control facilities are known to the Company or to the Authority to be likely to be opened in the foreseeable future to address the disposal needs of the state, and specifically the users of the JRL.

4. Based on the foregoing, the Authority will issue a Certificate of Approval for the Project pursuant to 10 M.R.S.A. §1043.

FINANCE AUTHORITY OF MAINE

Carlos R. Mello

By: Carlos R. Mello
Its: Chief Executive Officer

Date: November 13, 2024