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Casella Writes Off $13.6 Million In Costs For Failed Landfill Proposal

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During a third-quarter earnings call for investors on Tuesday, representatives for Casella Waste Systems said they are abandoning their proposed landfill in Dalton and are closing their North Country Environmental Services landfill in Bethlehem, pictured here, but are still open to expansion talks in Bethlehem. (Photo by Robert Blechl)

During its third-quarter earnings call for stockholders, Casella Waste Systems announced it is abandoning its controversial landfill proposal in Dalton and writing off $13.6 million in development costs while leaving the door open to pursuing expansion in Bethlehem as that landfill nears closure.

During Tuesday morning's call, Casella president and CEO Ned Coletta spoke of landfill expansions in other states and the decision to end what the company called the Granite State Landfill (GSL) in Dalton, a 70-acre proposal that was rejected by state regulators in April 2025 and came to a halt after Casella's subsequent lawsuit against the state was rejected at the Superior Court.

"In September, we received our permit to expand the Hakes landfill in New York," he said. "With this important permit expansion, and at our current run rate, we'll have roughly 20 years of airspace at the site. This is a valuable expansion for us in an increasingly tight Northeast disposal market, which has seen several closures over the last few years. During the quarter, we also made the challenging decision to abandon our development efforts for the new Granite State Landfill in New Hampshire after an unsuccessful legal appeal associated with our permitting efforts."



The New Hampshire Department of Environmental Services denied Casella's permit application after the company repeatedly withheld information that the department needed in order to render a decision.

Calling the decision "unlawful," Casella sued DES, but the case was rejected at Merrimack Superior Court. The company did not appeal to the New Hampshire Supreme Court.

"This was a tough decision after years of hard work by our team, led by [former Casella CEO] John Casella, to advance the permit at the new greenfield site," said Coletta. "However, we did not see a clear path to success, given the politicization of the permitting process."

"The write-off of capitalized development costs for the Granite State Landfill project, in light of adverse legal decisions related to the permit, as Ned described, was $13.6 million, representing legal, engineering, and other costs incurred to develop the project since 2019," said Bradford

Helgeson, executive vice-president and chief financial officer for Casella.

In its quarterly 10-Q financial report issued on Monday, the company cited a headwind in the form of House Bill 707, which became law in September.

HB 707 creates a new solid waste management site evaluation committee, has a preference for brownfield sites for new landfills, and requires a more comprehensive, state-level process for evaluating and approving future landfill proposals in New Hampshire.

Residents Weigh In

“It is encouraging to see Casella finally admit to its investors what North Country residents have known all along: a poorly sited landfill in Dalton was never a viable project,” said Wayne Morrison, a Whitefield resident and president of the North Country Alliance for Balanced Change. “For years, residents, local and state officials have fought to protect Forest Lake and our communities from an unneeded project that never belonged here in the first place.”

Offering his thoughts on the GSL write-off was Adam Finkel, a resident of Dalton and former federal regulator with the EPA and OSHA.

“$13.6 million is a lot to lose for a project that should have cost Casella exactly two tanks of gas from Rutland and back,” he said. “Any reputable company, seeing the giant ‘sand/gravel mined here’ sign, and the pristine lake and wild river next door, would have made a quick U-turn. But not the bullies with, in my opinion, no environmental competence and a history of getting what they want through lobbying and litigation rather than science and negotiation.

“Casella blames everyone but themselves for this debacle,” said Finkel. “In particular, HB 707 merely empowers some experts to vouch for the net benefits of each new landfill project. A project that wasn’t hideously ill-conceived would have had nothing to worry about from this common-sense legislation.”



Bethlehem

In addition to abandoning GSL, Casella intends to end operations at its North Country Environmental Services (NCES) landfill in Bethlehem, effective Dec. 31, 2026, after more than 30 years of operation, said Coletta.

“We have been working hard for the last three years to shift volumes to alternative sites and ensure seamless closure at the site,” he said. “We do remain open to working with the community to expand the site onto the adjacent property that we own that has been used as a borrow pit over the last decade.”

The adjacent property, 123 acres, was bought by the company in 2015, three years after Bethlehem voters approved a settlement agreement with Casella in which the company agreed in writing to not buy new land for expansion and to limit the town’s landfill district to its current 61 acres.

Petitions in 2017 and 2018 proposing to use the land to expand the landfill district by 100 acres were rejected by voters.

Currently, any expansion proposal would need to go to voters through a town meeting petition.

Since the settlement agreement, Casella, in January 2026, was slapped with the largest-ever civil penalty in New Hampshire for a landfill operator (a $1.9 million fine, which was also disclosed to stockholders in Monday’s 10-Q report) for years of documented leachate mismanagement and deficient leachate data and reporting at NCES.

In 2021, NCES had a 154,000-gallon leachate spill, which state regulators said was the largest leachate spill in New Hampshire history.

In addition, regulators said NCES had operated with a hole in the landfill liner.

During the question-and-answer segment of Tuesday's call, Coletta was asked by an equity analyst about the decision to close NCES a year early and the future impacts on collection pricing and impacts on the McKean landfill strategy in Pennsylvania, a facility that the company is expanding.

"When you get to the end of the life of a landfill, you're trying to glide the ship to the runway and the plane to the runway and you're looking at a lot of factors of is there more value yielded to operating a site another month, another year, or are you best served to just wrap it up and get as much cost out as quickly as you can," said Coletta. "And we accept this summer, given where the airspace was at the site, that it was just best to wrap it up this year … We're feeling pretty good about where we are. There's not a huge cost hit coming. This is something has been accrued for the closure."

Casella, though, is in talks with local groups who "would be excited to see the site continue to expand over time," he said.

"It's something we'd be really interested in working on if that came to pass," said Coletta. "We've got a borrow area and a lot of acreage next to this landfill that can make a really compelling expansion for the state of New Hampshire. However, we've shifted our efforts to either truck or rail to move that waste out of New Hampshire and into other viable airspace over time … We've moved close to two-thirds of the waste out of that site over the last two years. So this is not a cliff coming in 2027. It's an activity that's been ongoing for a couple years."

Through town meeting petitions, public hearings, and other venues, large numbers of local residents have opposed a new landfill in Dalton and an expansion in Bethlehem, citing such concerns as adverse environmental and health impacts, odors and other nuisances, impacts on quality of life and the tourism economy, and the North Country becoming a dumping ground for out-of-state trash.



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