

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. On December 28, 2023, the Supreme Court issued a decision reversing the Hearing Officer's Order and held that the Stage VI Permit was lawfully issued by DES, fully resolving this matter and upholding the Stage VI Permit.

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 dismissed that proceeding by Order dated April 6, 2023, and 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 filed its brief on October 25, 2023. On November 9, 2023, the Supreme Court issued an Order denying CLF's Motion to Intervene but treating CLF's memorandum of law as an amicus brief. NCES filed a reply brief on November 14, 2023. On January 18, 2024, the Supreme Court issued an Order setting a deadline of February 2, 2024 for the parties to submit memoranda addressing the mootness of this appeal in light of the Supreme Court's December 28, 2023 Order reversing the Hearing Officer's Order and upholding the Stage VI Permit. NCES subsequently filed a Motion for Vacatur of the Superior Court's April 6, 2023 Order and a Memorandum in Response to the Supreme Court's February 2, 2024 Order on January 23, 2024. On March 18, 2024, the Supreme Court issued an order finding the appeal to be moot and vacating the Superior Court's April 6, 2023 Order, resolving this matter.

On September 20, 2022, NCES, which has since withdrawn as a party, and our subsidiary, Granite State Landfill, LLC ("GSL"), filed a Petition for Declaratory Judgment ("Petition") in the Superior Court asking the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. On December 19, 2023, GSL filed a Motion To Stay pending the outcome of the Supreme Court's consideration of the Stage VI Permit appeal. The Stage VI Permit appeal was decided and upheld by Order of December 28, 2023 as discussed above. As NCES prevailed in the Stage VI Permit appeal, GSL and NCES voluntarily non-suited the Petition on January 2, 2024, resolving this matter.

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 CLF's request for expedited review. CLF withdrew its appeal by notice to the Council on February 7, 2024. In light of CLF's withdrawal of appeal, this matter is fully resolved.

#### ***North Country Environmental Services Letter of Deficiency***

On June 14, 2024, NCES received a Letter of Deficiency (the "Letter") from DES concerning alleged violations related to leachate management and leachate data and reporting. The Letter required certain actions to correct the deficiencies on a prescribed timeline, and NCES has met the deadlines for information submission. NCES has entered into preliminary discussions with the New Hampshire Department of Justice concerning an administrative order and associated penalties relative to the deficiencies.

#### **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.