

CASELLA WASTE SYSTEMS INC  
Form DEF 14A  
August 26, 2011

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**CASELLA WASTE SYSTEMS, INC.**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
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    - (2) Form, Schedule or Registration Statement No.:
    - (3) Filing Party:
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-

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**CASELLA WASTE SYSTEMS, INC.**

25 Greens Hill Lane  
Rutland, Vermont 05701

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**NOTICE OF THE ANNUAL MEETING OF STOCKHOLDERS**  
**To be Held on October 11, 2011**

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To the stockholders of  
CASELLA WASTE SYSTEMS, INC.:

The Annual Meeting of stockholders of Casella Waste Systems, Inc., a Delaware corporation, will be held on Tuesday, October 11, 2011 at 10:00 a.m., local time, at the Killington Grand Hotel, 228 East Mountain Road, Killington, Vermont 05751, to consider and act upon the following matters:

1. To elect the persons nominated by our Board of Directors to serve as members of our Board, each to serve for a term ending in 2014 or until his successor has been duly elected and qualified;
2. To approve, in a non-binding advisory "say-on-pay" vote, the compensation of our named executive officers, as described in the "Compensation Discussion and Analysis," executive compensation tables and accompanying narrative disclosures in this proxy statement;
3. To recommend, in a non-binding advisory "say-on-frequency" vote, the frequency of future advisory "say-on-pay" votes;
4. To ratify the appointment of McGladrey & Pullen, LLP as our independent registered public accounting firm for the fiscal year ending April 30, 2012; and
5. To transact such other business as may properly come before the Annual Meeting, and any postponement or adjournment thereof.

The Board of Directors has no knowledge of any other business to be transacted at the Annual Meeting.

We have included a copy of our Annual Report to Stockholders for the fiscal year ended April 30, 2011 with the proxy statement that accompanies this notice of meeting. The Annual Report contains consolidated financial statements and other information of interest to you.

Stockholders of record of our Class A common stock and Class B common stock at the close of business on August 25, 2011 are entitled to receive this notice and to vote at the Annual Meeting.

*We encourage you to attend the Annual Meeting in person. Whether or not you plan to attend the meeting personally, please vote your shares by completing, signing and returning the enclosed proxy card as promptly as possible in the enclosed postage-prepaid envelope. If you attend the meeting and prefer to vote at that time, you may do so even if you have already voted by proxy. You may obtain directions to the location of the meeting by contacting our Investor Relations Department at (802) 775-0325.*

By order of the Board of Directors,

August 26, 2011  
Rutland, Vermont

*John W. Casella*  
*Chairman and Chief Executive Officer*

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**CASELLA WASTE SYSTEMS, INC.**

**25 Greens Hill Lane  
Rutland, Vermont 05701**

**PROXY STATEMENT**

*For the Annual Meeting of Stockholders  
to be held on October 11, 2011*

**GENERAL INFORMATION**

**About this Proxy Statement**

This proxy statement and the enclosed proxy card are being furnished to you in connection with the solicitation of proxies by the Board of Directors of Casella Waste Systems, Inc. for use at the Annual Meeting of stockholders to be held on Tuesday, October 11, 2011 at 10:00 a.m., local time, at the Killington Grand Hotel, 228 East Mountain Road, Killington, Vermont 05751, and at any postponement or adjournment thereof. You may obtain directions to the location of the Annual Meeting by contacting our Investor Relations Department, Casella Waste Systems, Inc., 25 Greens Hill Lane, Rutland, Vermont 05701, telephone: (802) 775-0325.

The notice of the Annual Meeting, this proxy statement, our Annual Report to Stockholders for the fiscal year ended April 30, 2011, which we refer to as fiscal 2011, and the enclosed proxy are being mailed to stockholders on or about August 31, 2011.

**Important Notice Regarding the Availability of Proxy Materials  
for the Annual Meeting of Stockholders to be Held on October 11, 2011:**

**This proxy statement and our 2011 Annual Report to Stockholders are available for viewing, printing  
and downloading at [www.casella.com/2011AnnualMeeting](http://www.casella.com/2011AnnualMeeting).**

**A copy of our Annual Report on Form 10-K for fiscal 2011, as filed with the Securities and Exchange Commission, or SEC,  
except for exhibits, will be furnished without charge to any stockholder upon written or oral request to: Casella Waste  
Systems, Inc., 25 Green Hills Lane, Rutland, Vermont 05701, Attention: Investor Relations, Telephone: (802) 775-0325.**

**This proxy statement and our Annual Report on Form 10-K for fiscal 2011  
are also available on the SEC's website at [www.sec.gov](http://www.sec.gov).**

**Proposals to be Voted Upon**

The agenda for the 2011 Annual Meeting of Stockholders will include the following proposals:

|                   | <b>Proposal</b>   | <b>Board Recommendation</b> |
|-------------------|---|-----------------------------|
| <i>Proposal 1</i> | To elect two directors to our Board of Directors, or Board, each to serve for a term ending in 2014 or until his respective successor has been duly elected and qualified | "FOR" each director nominee |
| <i>Proposal 2</i> | To approve, in a non-binding advisory vote, the compensation of our named executive officers  | "FOR"                       |
| <i>Proposal 3</i> | To recommend, in a non-binding advisory vote, whether future executive compensation advisory votes should occur every one year, two years or three years                  | "ONE YEAR" (Choice 1)       |
| <i>Proposal 4</i> | To ratify the appointment of McGladrey & Pullen, LLP as our independent   | "FOR"                       |

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registered public accounting firm for the fiscal year ending April 30, 2012, which  
we refer to as fiscal 2012

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When you return your proxy properly signed, your shares will be voted by the persons named as proxies in accordance with your directions. You are urged to specify your choices on the enclosed proxy card. If you sign and return your proxy without specifying choices, your shares will be voted in accordance with our Board's recommendations set forth above with respect to Proposals 1-4 and in the discretion of the persons named as proxies in the manner they believe to be in our company's best interests as to other matters that may properly come before the Annual Meeting.

**Voting Procedures**

You may vote either in person at the Annual Meeting or by proxy. To vote by proxy, you must:

Complete all of the required information on the proxy card.

Date and sign the proxy card.

Return the proxy card in the enclosed postage-paid envelope. We must receive the proxy card not later than October 10, 2011, the day before the Annual Meeting, for your proxy to be valid and for your vote to count.

If you are not a stockholder of record and you hold shares through a custodian, broker or other agent, such agent may have special voting instructions that you should follow.

Whether or not you expect to be present in person at the Annual Meeting, you are requested to complete, sign, date and return the enclosed form of proxy. The shares represented by your proxy will be voted in accordance with your instructions. If you attend the meeting, you may vote by ballot. If you want to vote in person at the Annual Meeting and you own your shares through a custodian, broker or other agent, you must obtain a proxy from that party in its capacity as owner of record for your shares and bring the proxy to the Annual Meeting.

Shares represented by proxies on the enclosed proxy card will be counted in the vote at the Annual Meeting if we receive your proxy card by October 10, 2011.

Your properly executed proxy card will appoint John W. Casella, our Chief Executive Officer, and David L. Schmitt, our Vice President and General Counsel, as proxy holders, or your representatives, to vote your shares in the manner directed therein by you. Your proxy permits you to direct the proxy holders to:

vote "FOR" or withhold your votes from either or both of the nominees for director;

vote "FOR," "AGAINST" or "ABSTAIN" from the non-binding resolution to approve the compensation of our named executive officers;

vote "Choice 1" (every year), "Choice 2" (every two years), "Choice 3" (every three years) or "ABSTAIN" from the non-binding resolution to determine the frequency of future executive compensation advisory votes; and

vote "FOR," "AGAINST" or "ABSTAIN" from the proposal to ratify the appointment of McGladrey & Pullen, LLP as our independent registered public accounting firm for fiscal 2012.

All shares entitled to vote and represented by properly executed proxies received by us prior to the Annual Meeting and not revoked will be voted in accordance with the instructions indicated on the proxy card. If you do not indicate how your shares are to be voted on a matter, the shares represented by your properly executed proxy will be voted "FOR" the election of both of the nominees for director (Proposal 1), "FOR" approval of the compensation of our named executive officers (Proposal 2), for "Choice 1" to recommend that a non-binding stockholder advisory vote to approve the compensation of our executive officers occur every year (Proposal 3) and "FOR" the ratification of the appointment of McGladrey & Pullen, LLP as our independent registered public accounting firm for fiscal 2012 (Proposal 4). In addition,





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the shares represented by your properly executed proxy may be voted by the proxy holders on any other matters that are properly presented at the Annual Meeting for consideration, including a motion to adjourn the Annual Meeting to another time or place for the purpose of soliciting additional proxies, unless you withhold authorization therefor.

**Revocation of Proxies**

You may revoke your proxy at any time before it is used to cast a vote. To revoke a proxy, you must:

file with our Corporate Secretary, at or before the taking of the vote, a written notice of revocation bearing a later date than the proxy;

duly execute a later dated proxy relating to the same shares and deliver it to our Corporate Secretary before the taking of the vote; or

attend the Annual Meeting, revoke your proxy and vote in person. Attendance at the Annual Meeting, if you do not vote, is not sufficient to revoke your proxy. Shares represented by valid proxies, timely received and not revoked at or prior to the Annual Meeting, will be voted at the Annual Meeting. If your shares are held through a custodian, broker or other agent, you will need to obtain a proxy card from the holder of record in order to vote your shares at the Annual Meeting.

Any written notice of revocation or subsequent proxy should be sent to the following address: Casella Waste Systems, Inc., 25 Greens Hill Lane, Rutland, Vermont 05701, Attention: Corporate Secretary.

**Stockholders Entitled to Vote**

Our Board has fixed August 25, 2011 as the record date for the Annual Meeting. You are entitled to vote (in person or by proxy) at the Annual Meeting if you were a stockholder of record at the close of business on the record date. On August 25, 2011, there were 25,898,225 shares of Class A common stock and 988,200 shares of Class B common stock outstanding. Each share of Class A common stock entitles the record holder to one vote on each matter properly submitted for consideration at the Annual Meeting. Each share of Class B common stock entitles the record holder to ten votes on each matter properly submitted for consideration at the Annual Meeting.

**Quorum**

The presence, in person or by proxy, of shares representing a majority of the votes entitled to be cast at the Annual Meeting by the holders of Class A common stock and Class B common stock, voting together as a class, is necessary to constitute a quorum for the transaction of business at the Annual Meeting. Shares of common stock present in person or represented by proxy, including shares which abstain or do not vote with respect to one or more of the matters presented for stockholder approval and "broker non-votes" described below, will be counted for purposes of determining whether a quorum is present at the Annual Meeting. If a quorum is not present, we expect to adjourn the Annual Meeting until we obtain a quorum.

**Votes Required**

*Election of Directors.* Joseph Doody and Gregory B. Peters are the two director nominees. Under our By-laws, the holders of Class A common stock, voting separately as a class, are entitled to elect one director, whom we refer to as the Class A Director. Mr. Peters has been nominated as the Class A Director. The affirmative vote of the holders of shares representing a plurality of the votes cast by the holders of shares of Class A common stock, in person or by proxy, at the Annual Meeting is required to elect Mr. Peters. The affirmative vote of the holders of shares representing a plurality of the votes cast by the holders of shares of Class A common stock and Class B common stock, voting together as a class, in

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person or by proxy, at the Annual Meeting is required to elect Mr. Doody. The two director nominees, if elected, each will serve for a three-year term or until his respective successor has been duly elected and qualified. Shares represented by proxies received by the Board and not marked to withhold authority to vote for a nominee will be voted "FOR" the election of the nominee. If a stockholder properly withholds authority to vote for the nominee or abstains from voting, such stockholder's shares will not be counted toward the nominee's achievement of a plurality. Broker non-votes, if any, will also not be counted toward the nominee's achievement of a plurality.

*Other Matters.* The affirmative vote of the holders of shares of Class A common stock and Class B common stock, voting together as a class, representing a majority of votes cast on a matter is required for: approval of the advisory vote on executive compensation (Proposal 2) and approval of the ratification of the appointment of the independent registered public accounting firm for fiscal 2012 (Proposal 4). With respect to Proposal 3, we will consider the frequency option (one year, two years or three years) receiving the highest number of votes cast by holders of shares of Class A common stock and Class B common stock, voting together as a class, to be the frequency that has been recommended by our stockholders. However, as described in more detail in Proposal 3, because this proposal is non-binding, our Board may decide that it is in our best interest or the best interest of our stockholders to hold future executive compensation advisory votes more or less frequently. Abstentions and broker non-votes will not be counted as votes in favor of, or with respect to, these proposals and will also not be counted as votes cast. Accordingly, abstentions and broker non-votes will have no effect on the outcome of these proposals.

If you hold shares of Class A common Stock or Class B common stock through a broker, bank or other representative, your representative may under certain circumstances vote your shares if you do not return your proxy. Your broker, bank or representative has discretionary authority to vote customers' unvoted shares on routine matters. If you do not return a proxy to your representative to vote your shares, your representative may, on routine matters, either vote your shares or leave your shares unvoted. Your representative cannot vote your shares on any matter that is not considered routine. Proposal 4, ratification of the appointment of McGladrey & Pullen, LLP as our independent registered public accounting firm for fiscal 2012, is considered a routine matter. Each of Proposal 1, Proposal 2 and Proposal 3 is not considered a routine matter. If your representative does not timely receive instructions, your representative may only vote on those matters for which it has discretionary voting authority. If your representative cannot vote your shares on a particular matter because it does not have discretionary voting authority, this is a "broker non-vote" on a matter.

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The following table sets forth information as of July 31, 2011 regarding the beneficial ownership of our voting stock by (a) each person or entity known by us to own beneficially more than 5% of the outstanding shares of any class of our voting stock, (b) each of our directors and director nominees, (c) each of our principal executive officer, principal financial officer and our other executive officers who served during the year ended April 30, 2011, whom, collectively, we refer to as our named executive officers and (d) our directors and executive officers as a group.

We have determined beneficial ownership in accordance with the rules of the SEC. Shares of Class A common stock that an individual has a right to acquire within 60 days after July 31, 2011, including pursuant to options to purchase Class A common stock, Class B common stock convertible into Class A common stock and restricted stock awards subject to vesting, are deemed outstanding for purposes of computing the percentage of beneficial ownership owned by the person or entity holding such security, but are not deemed outstanding for purposes of computing the percentage beneficially owned by any other person or entity. Except as otherwise indicated by footnote, we believe that the persons named in this table, based on information provided by these persons, have sole voting and investment power with respect to the securities indicated. Unless otherwise indicated, the address of each beneficial owner listed in the table is care of Casella Waste Systems, Inc., 25 Greens Hill Lane, Rutland, Vermont 05701.

The "Total Ownership of Equity Securities" column reflects each listed individual's or entity's percent beneficial ownership with respect to all of our voting securities as of July 31, 2011. This column assumes the conversion of shares of Class B common stock into shares of Class A common stock. Holders of Class B common stock are entitled to ten votes for each share of Class B common stock that they beneficially own. Each share of Class B common stock is convertible at the discretion of the holder thereof into one share of Class A common stock. As of July 31, 2011, a total of 25,898,225 shares of Class A common stock were outstanding and a total of 988,200 shares of Class B common stock were outstanding.

| Name of Beneficial Owner   | Class A<br>Common Stock |               | Class B<br>Common Stock |               | Total<br>Ownership<br>of Equity<br>Securities (%) |
|--|-------------------------|---------------|-------------------------|---------------|---|
|  | # of<br>Shares          | % of<br>Class | # of<br>Shares          | % of<br>Class |   |
| <b>5% Stockholders</b>   |                         |               |                         |               |   |
| Buckhead Capital Management, LLC (1)<br>3330 Cumberland Blvd., Suite 650<br>Atlanta, GA 30339        | 2,343,116               | 9.0%          |                         |               | 8.7%  |
| Bridger Management LLC (2)<br>90 Park Avenue, 40 <sup>th</sup> Floor<br>New York, NY 10016           | 1,793,507               | 6.9%          |                         |               | 6.7%  |
| Franklin Resources, Inc. (3)<br>One Franklin Parkway<br>San Mateo, CA 94403                          | 1,742,993               | 6.7%          |                         |               | 6.5%  |
| Entities Affiliated with BlackRock Inc. (4)<br>40 East 52 <sup>nd</sup> Street<br>New York, NY 10022 | 1,578,945               | 6.1%          |                         |               | 5.9%  |

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| Name of Beneficial Owner  | Class A<br>Common Stock |               | Class B<br>Common Stock |               | Total<br>Ownership<br>of Equity<br>Securities (%) |
|---|-------------------------|---------------|-------------------------|---------------|---|
|   | # of<br>Shares          | % of<br>Class | # of<br>Shares          | % of<br>Class |   |
| <b>Executive Officers and Directors</b>                         |                         |               |                         |               |   |
| John W. Casella (5)   | 1,106,767               | 4.2%          | 494,100                 | 50.0%         | 4.1%  |
| James W. Bohlig (6)   | 187,907                 | *             |                         |               | *   |
| Paul A. Larkin (7)  | 90,083                  | *             |                         |               | *   |
| Edwin D. Johnson (8)  | 113,333                 | *             |                         |               | *   |
| Paul J. Massaro (9)   | 17,660                  | *             |                         |               | *   |
| Michael K. Burke (10)   | 45,196                  | *             |                         |               | *   |
| James F. Callahan, Jr. (11)                                     | 140,654                 | *             |                         |               | *   |
| Douglas R. Casella (12)   | 1,276,460               | 4.8%          | 494,100                 | 50.0%         | 4.7%  |
| John F. Chapple III (13)  | 86,654                  | *             |                         |               | *   |
| Joseph Doody (14)   | 63,154                  | *             |                         |               | *   |
| James P. McManus (15)   | 55,654                  | *             |                         |               | *   |
| Gregory B. Peters (16)  | 105,338                 | *             |                         |               | *   |
| Executive officers and directors as a group<br>(12 people) (17) | 3,288,860               | 11.9%         | 988,200                 | 100.0%        | 11.9%   |

\*

Represents less than 1% of the outstanding shares of the respective class of our voting stock and/or less than 1% of total ownership of equity securities.

(1) Information is as reported in a Schedule 13F filed with the SEC on August 9, 2011 by Buckhead Capital Management, LLC.

(2) As reported in a Schedule 13F filed with the SEC on August 15, 2011 by Bridger Management LLC.

(3) As reported in a Schedule 13F filed with the SEC on August 12, 2011 by Franklin Resources, Inc. ("FRI"). The securities reported herein (the "Securities") are beneficially owned by one or more open or closed end investment companies or other managed accounts that are investment management clients of investment managers that are direct and indirect subsidiaries (collectively, the "Investment Management Subsidiaries") of FRI. Investment management contracts grant to the Investment Management Subsidiaries all investment and/or voting power over the securities owned by such investment management clients, unless otherwise noted, and therefore, the Investment Management Subsidiaries may be deemed to be the beneficial owners of the Securities. Charles B. Johnson and Rupert H. Johnson, Jr. (the "Principal Shareholders") each own in excess of 10% of the outstanding common stock of FRI and are the principal stockholders of FRI. FRI, the Principal Shareholders and each of the Investment Management Subsidiaries disclaim any pecuniary interest in any of the Securities.

(4) Consists of 918,361 shares of Class A common stock held by BlackRock Institutional Trust Company, N.A., 564,176 shares of Class A common stock held by BlackRock Fund Advisors, 82,808 shares of Class A common stock held by BlackRock Investment Management, LLC, 12,486 shares of Class A common stock held by BlackRock Advisers, LLC and 1,114 shares of Class A common stock held by BlackRock Inc., as reported in Schedules 13F filed by these entities with the SEC on July 27, 2011.

(5) Includes (a) 164,000 shares of Class A common stock issuable to Mr. Casella pursuant to options exercisable within 60 days of July 31, 2011, (b) 91,246 shares of Class A common stock held in trust for the benefit of Mr. Casella's minor children, (c) 694 shares of Class A common stock held by Mr. Casella's wife and (d) 494,100 shares of Class A common stock issuable at any time at the discretion of the holder upon the conversion of Class B common stock on a one-for-one basis.

(6) Includes (a) 164,000 shares of Class A common stock issuable to Mr. Bohlig pursuant to options exercisable within 60 days of July 31, 2011 and (b) 23,907 shares of Class A common stock held in trust for the benefit of Mr. Bohlig's minor children. On March 1, 2011, Mr. Bohlig resigned from his



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positions with Casella Waste Systems, Inc. We obtained information regarding beneficial ownership of these shares solely from information provided to us by Mr. Bohlig.

- (7) Includes 50,000 shares of Class A common stock issuable to Mr. Larkin pursuant to options exercisable within 60 days of July 31, 2011.
- (8) Includes 83,333 shares of Class A common stock issuable to Mr. Johnson pursuant to options exercisable within 60 days of July 31, 2011. Mr. Johnson was appointed as our Chief Financial Officer on July 6, 2010.
- (9) Includes 4,000 shares of Class A common stock issuable to Mr. Massaro pursuant to options exercisable within 60 days of July 31, 2011. Mr. Massaro served as our interim principal financial officer and principal accounting officer from September 28, 2009 until the appointment of Mr. Johnson as Chief Financial Officer on July 6, 2010.
- (10) Includes 7,500 shares of Class A common stock issuable to Mr. Burke pursuant to options exercisable within 60 days of July 31, 2011.
- (11) Includes (a) 35,000 shares of Class A common stock issuable to Mr. Callahan pursuant to options exercisable within 60 days of July 31, 2011 and (b) 7,500 shares of Class A common stock held by the James F. Callahan, Jr. 1998 Trust, of which Mr. Callahan and his wife are trustees.
- (12) Includes (a) 164,000 shares of Class A common stock issuable to Mr. Casella pursuant to options exercisable within 60 days of July 31, 2011, (b) 25,682 shares of Class A common stock held in trust for the benefit of Mr. Casella's minor children and (c) 494,100 shares of Class A common stock issuable at any time at the discretion of the holder upon the conversion of Class B common stock on a one-for-one basis.
- (13) Includes 52,500 shares of Class A common stock issuable to Mr. Chapple pursuant to options exercisable within 60 days of July 31, 2011.
- (14) Includes 30,000 shares of Class A common stock issuable to Mr. Doody pursuant to options exercisable within 60 days of July 31, 2011.
- (15) Includes 22,500 shares of Class A common stock issuable to Mr. McManus pursuant to options exercisable within 60 days of July 31, 2011.
- (16) Includes 52,500 shares of Class A common stock issuable to Mr. Peters pursuant to options exercisable within 60 days of July 31, 2011.
- (17) Includes (a) 829,333 shares of Class A common stock issuable pursuant to options exercisable within 60 days of July 31, 2011 and (b) 988,200 shares of Class A common stock issuable at any time at the discretion of the holders thereof upon the conversion of Class B common stock on a one-for-one basis.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our directors, executive officers and holders of more than 10% of our common stock to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and other equity securities. Based solely on a review of copies of reports filed pursuant to Section 16(a) and representations made by persons required to file such reports, we believe that during fiscal 2011, our officers, directors and greater than 10% owners timely filed all reports they were required to file under Section 16(a), with the exception of late Forms 4 reporting the grant of restricted stock units filed with the SEC on June 21, 2010 on behalf of Paul Massaro and David Schmitt, and late Forms 4 reporting the grant of restricted stock units filed with the SEC on June 28, 2010 on behalf of and James

Bohlig, John Casella and Douglas Casella.



Table of Contents**PROPOSAL 1 ELECTION OF DIRECTORS**

We have three classes of directors, currently consisting of three Class I director seats, three Class II director seats and three Class III director seats. At each Annual Meeting, directors are elected for a full term of three years to succeed those whose terms are expiring. The terms of the three classes are staggered in a manner so that stockholders elect only one class annually. At the recommendation of the Nominations and Governance Committee, our Board has nominated Gregory B. Peters, the designee of the holders of Class A common stock on our Board, and Joseph Doody for re-election as Class II directors. The two Class II director nominees are proposed for re-election at the Annual Meeting to serve as members of the Board until the 2014 Annual Meeting, or until their successors are elected and qualified. We currently have a vacancy on our Board as a result of the resignation of James W. Bohlig on March 1, 2011. Mr. Bohlig served as a Class II director. The Nominations and Governance Committee currently is evaluating candidates to fill this vacancy, and we intend to fill this vacancy by a vote of the majority of our remaining directors after the 2011 Annual Meeting, pursuant to our amended and restated by-laws.

The persons named in the enclosed proxy will vote at the Annual Meeting to elect Messrs. Peters and Doody as Class II directors unless the proxy is marked otherwise. Each of the nominees has indicated his willingness to serve, if elected; however, if any nominee should be unable to serve, the person acting under the proxy may vote the proxy for a substitute nominee designated by our Board. Our Board has no reason to believe that either of the nominees will be unable to serve if elected.

**The Board believes that the election of the Class II director nominees is in the best interests of our stockholders and therefore recommends that our stockholders vote "FOR" the election of each of the Class II nominees.**

Set forth below for each director, including the director nominees, is information as of July 31, 2011 with respect to (a) his name and age, (b) his position and offices at Casella, if any, (c) his principal occupation and business experience during at least the past five years, (d) his directorships, if any, of other publicly-held companies, held currently or during the past five years, and (e) the year he became a member of our Board. We have also included information below regarding each director's specific experience, qualifications, attributes and skills that led our Board to the conclusion that he should serve as a director of our company.

| Name  | Age | Board Tenure, Principal Occupation, Other Business Experience<br>and Other Directorships During the Past Five Years and<br>Other Experience, Qualifications, Attributes and Skills  |
|---|-----|---|
| <b>Class II Director Nominees to be<br/>elected at the 2011<br/>Annual Meeting<br/>(terms expiring in 2014)</b>   |     |   |
| Gregory B. Peters<br><i>Lead Director</i><br><i>Audit Committee</i><br><i>Nominations and Governance<br/>Committee (Chair)</i><br><i>Compensation Committee</i><br><i>Stock Plan Subcommittee</i> | 65  | Mr. Peters has served as a member of our Board since 1993. Mr. Peters has served as managing general partner of Lake Champlain Capital Management, LLC, a venture capital firm, since April 2001. From April 1988 to March 2001, Mr. Peters served as managing general partner of Vermont Venture Capital Partners, L.P., a venture capital company. Mr. Peters also previously served as general partner of North Atlantic Capital Partners, L.P., a venture capital company. Mr. Peters holds a B.A. from Harvard College and an M.B.A. from Harvard Business School. As a professional investor with significant experience in areas of corporate governance, Mr. Peters has focused on building relationships between management and the Board and is well-versed in the current best practices of corporate governance, making him well-suited to serve as the Lead Director of our Board and Chair of our Nominations and Governance Committee. |

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**Board Tenure, Principal Occupation, Other Business Experience  
and Other Directorships During the Past Five Years and  
Other Experience, Qualifications, Attributes and Skills**

| Name   | Age |  |
|--|-----|--|
| Joseph G. Doody<br><i>Compensation Committee</i> | 58  | Mr. Doody has served as a member of our Board since 2004. Mr. Doody has served as President, North American Delivery of Staples, Inc., an office products company, since 1998. From 1974 to 1998, Mr. Doody held several managerial positions with the Eastman Kodak Company, an imaging technology company, including General Manager and Vice President, North America, Office Imaging. Mr. Doody has served on the board of directors of Paychex, Inc., a leading provider of payroll, human resource, and benefits outsourcing solutions, since October 2010. Mr. Doody holds a B.S. in Economics from State University of New York at Brockport and an M.B.A. from the University of Rochester. Mr. Doody's significant leadership experience and management of a large operating division enables him to provide our Board with important operational insight and oversight. |

**Class III Directors  
(terms expiring in 2012)**

|  |    |  |
|--|----|--|
| John W. Casella<br><i>Chairman</i>                   | 60 | Mr. Casella has served as Chairman of our Board since July 2001 and as our Chief Executive Officer since 1993. Mr. Casella served as our President from 1993 to July 2001 and as Chairman of our Board from 1993 to December 1999. In addition, Mr. Casella has served as Chairman of the Board of Directors of Casella Waste Management, Inc. since 1977. Mr. Casella is also an executive officer and director of Casella Construction, Inc., a company owned by Mr. Casella and Douglas R. Casella. Mr. Casella has been a member of numerous industry-related state and local boards and commissions including the Board of Directors of the Associated Industries of Vermont, The Association of Vermont Recyclers, the Vermont State Chamber of Commerce and the Rutland Industrial Development Corporation. Mr. Casella has also served on various state task forces, serving in an advisory capacity to the Governors of Vermont, New Hampshire and New York on solid waste issues. Mr. Casella holds an A.S. in Business Management from Bryant & Stratton University and a B.S. in Business Education from Castleton State College. Mr. Casella is the brother of Douglas R. Casella, a member of our Board. Mr. Casella's insight and expertise in the waste management industry, coupled with his extensive business and leadership experience, make him an invaluable asset to our Board. |
| John F. Chapple III<br><i>Compensation Committee</i> | 70 | Mr. Chapple has served as a member of our Board since 1994. Mr. Chapple served as President and owner of Catamount Waste Services, Inc., a central Vermont hauling and landfill operation, which we purchased in May 1994, from August 1989 to July 1994. Mr. Chapple has been retired since 1995. In addition to his substantial industry expertise, leadership experience and long tenure on our Board, Mr. Chapple brings extensive landfill operating and industry knowledge to our Board.   |

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**Board Tenure, Principal Occupation, Other Business Experience  
and Other Directorships During the Past Five Years and  
Other Experience, Qualifications, Attributes and Skills**

| Name  | Age |   |
|---|-----|---|
| James P. McManus<br><i>Compensation Committee (Chair)</i><br><i>Stock Plan Subcommittee</i> | 48  | Mr. McManus has served as a member of our Board since August 2005. Since July 2007, Mr. McManus has served as President and Chief Executive Officer of The Hinckley Company, a yacht manufacturer. From 2003 through June 2007, Mr. McManus as Chairman and Chief Executive Officer of Zoots Corporation, an operator of dry cleaning stores. From 1994 until 2003 Mr. McManus held several management positions with Aramark Corporation, a food services and facility management company, including as President of its Business Services Group. Mr. McManus holds a B.A. from Yale University and an M.B.A. from Harvard Business School. Mr. McManus's extensive experience as a senior executive and director of publicly-traded and private corporations provides important management, operational and financial qualifications to serve as a member of our Board. |

**Class I Directors  
(terms expiring in 2013)**

|   |    |   |
|---|----|---|
| James F. Callahan, Jr.<br><i>Audit Committee (Chair)</i><br><i>Nominations and Governance<br/>Committee</i> | 67 | Mr. Callahan has served as a member of our Board since March 2003. Mr. Callahan served as an audit and business advisory partner of Arthur Andersen LLP, an independent public accounting firm, from 1975 to March 2000. Mr. Callahan has been retired since March 2000. Mr. Callahan has served as a member of various community service-related boards and currently serves on the Board of Trustees of the Massachusetts Department of Developmental Services' Hogan Regional Center and is Trustee Emeritus of Bates College. Mr. Callahan holds a B.A. from Bates College and an M.B.A. from the Rutgers University School of Management. Mr. Callahan's 25 years of experience at Arthur Andersen, the depth and breadth of his financial expertise and his experience handling complex financial issues position him well to serve as chair and financial expert of our Audit Committee. |
| Douglas R. Casella  | 55 | Mr. Casella has served as Vice Chairman of our Board since 1993. Mr. Casella founded Casella Waste Management, Inc. in 1975 and has served as its President since then. Casella Waste Management, Inc. is our wholly owned subsidiary. Since 1989, Mr. Casella has served as President of Casella Construction, Inc., a company owned by Mr. Casella and John W. Casella, which specializes in general contracting, soil excavation and related heavy equipment work and which performs landfill-construction related services for us. Mr. Casella is the brother of John W. Casella. Mr. Casella's extensive experience with operational and asset management matters in the waste management industry brings an important perspective to our Board.   |

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| Name                                       | Age | <b>Board Tenure, Principal Occupation, Other Business Experience<br/>and Other Directorships During the Past Five Years and<br/>Other Experience, Qualifications, Attributes and Skills</b>  |
|--|-----|--|
| Michael K. Burke<br><i>Audit Committee</i> | 53  | Mr. Burke has served as a member of our Board since February 2008. Mr. Burke served as Senior Vice President and Chief Financial Officer of Albany International Corp., a publicly-traded global advanced textiles and materials processing company, from July 2009 to September 2010. Mr. Burke served as the Executive Vice President and Chief Financial Officer of Intermagnetics General Corporation, a publicly traded medical device company, from December 2001 until its sale to Royal Philips Electronics in November 2006. Before joining Intermagnetics, Mr. Burke served as Executive Vice President and Chief Financial Officer of HbT, Inc., a manufacturer of hydrogen generators and processors. Prior to joining HbT in May 2000, Mr. Burke served as a Managing Director within the U.S. Investment Banking Department of CIBC Oppenheimer Corp. Mr. Burke currently serves as Vice Chairman of the Board of Directors of the Albany Medical Center and serves on the Board of Trustees of the Make-A-Wish Foundation and the Union Graduate College. Mr. Burke holds a B.A. in Economics from Lake Forest College and a Graduate Certificate in Mergers and Acquisitions from The Wharton School. Mr. Burke's leadership and financial experience, particularly as a chief financial officer of a publicly-traded company, and broad functional skill set give him an appreciation for the business practices and financial strategies that are critical to the success of a growing company such as ours. |

See "Certain Relationships and Related Party Transactions" and "Beneficial Ownership of Voting Stock" for additional information concerning members of our Board, including those who are nominees for election as directors.

The holders of Class A common stock, voting separately as a class, are entitled to elect the Class A Director. Mr. Peters, a Class II director who serves as our Lead Director and a member of the Compensation Committee, Audit Committee, Nominations and Governance Committee and Stock Plan Subcommittee, has been nominated as the Class A Director to serve as a member of our Board until the 2014 Annual Meeting of Stockholders.

The employment agreement by and between us and Mr. John Casella provides that Mr. Casella shall be elected as a member of our Board. We have agreed to use our best efforts to ensure that Mr. Casella is elected as a director.

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**CORPORATE GOVERNANCE AND BOARD MATTERS**

**General**

We have long believed that good corporate governance is important to ensure that our company is managed for the long-term benefit of our stockholders. This section describes key corporate governance policies and practices that we have adopted. We have adopted a code of business conduct and ethics, which applies to all of our directors, officers and employees, as well as charters for our Audit Committee, Compensation Committee and Nominations and Governance Committee, and corporate governance guidelines. Complete copies of our corporate governance guidelines, committee charters and code of conduct described below are available on the Investor Relations section of our website, [www.casella.com](http://www.casella.com). Alternatively, you can request a copy of any of these documents by writing to Casella Waste Systems, Inc., 25 Greens Hill Lane, Rutland, Vermont 05701, Attn: Corporate Secretary.

**Corporate Governance Guidelines**

Our Board has adopted corporate governance guidelines to assist in the exercise of its duties and responsibilities and to serve the best interests of our company and our stockholders. These guidelines, which provide a framework for the conduct of the Board's business, provide, among other matters, that:

the Board's principal responsibility is to oversee the management of Casella Waste Systems, Inc.;

a majority of the members of the Board shall be independent directors;

the independent directors shall meet regularly in executive session;

directors shall have full and free access to management and, as necessary and appropriate, independent advisors;

new directors are expected to participate in an orientation program and all directors are expected to participate in continuing director education on an ongoing basis; and

at least annually, our Board and its committees will conduct a self-evaluation to determine whether they are functioning effectively.

**Stock Ownership Guidelines**

Our Board believes that each non-employee director should acquire and hold shares of our stock in an amount that is meaningful and appropriate to such director. Accordingly, our Board has adopted stock ownership guidelines that require each non-employee director to attain a share ownership level of our Class A common stock equal to four times the annual cash retainer paid to non-employee directors for service on our Board, which does not include fees paid to non-employee directors based on meeting attendance or service as a committee chairman or Lead Director. Each non-employee director is required to attain such ownership levels not later than the later of (i) the third Annual Meeting following the 2008 Annual Meeting or (ii) the third Annual Meeting following the first Annual Meeting at which such non-employee director is elected to the Board.

**Board Determination of Independence**

Under NASDAQ rules, a director will only qualify as an "independent director" if, in the opinion of our Board, that person does not have a relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Our Board has determined that none of Messrs. Burke, Callahan, Chapple, Doody, McManus and Peters has a relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is an "independent director" as defined under Rule 5605(a)(2) of the NASDAQ Stock Market, Inc. Marketplace Rules.



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**Board of Directors Meetings and Attendance**

Our Board met seven times during fiscal 2011, either in person or by teleconference. During fiscal 2011, each director other than Mr. McManus attended at least 75% of the aggregate number of Board meetings and meetings of the committees on which he then served. Mr. McManus attended, either in person or by teleconference, four of seven Board meetings and five of six Compensation Committee meetings held during fiscal 2011.

**Director Attendance at Annual Meeting of Stockholders**

Messrs. Casella, Casella, Burke, Peters and Callahan attended the 2010 Annual Meeting of stockholders. We encourage, but have no policy with respect to, attendance of directors at the Annual Meeting.

**Board Leadership Structure**

We believe that Mr. John Casella, our Chief Executive Officer, is best situated to serve as Chairman of our Board because he is the director most familiar with our business and industry and is therefore best positioned, collectively with the Lead Director, to establish the Board's agenda and fulfill the other responsibilities of the Chairman of the Board. As our founder and our Chief Executive Officer since 1993, Mr. John Casella has been an integral part of the leadership of our Board and his strategic vision has helped to guide our growth and performance. In 2003, our Board established the position of Lead Director. Mr. Peters was elected Lead Director by the independent members of our Board in 2003 and he has served in that role ever since. The responsibilities of the Lead Director are included in our Corporate Governance Guidelines, which are posted on the Corporate Governance page of the Investor Relations section of our website, [www.casella.com](http://www.casella.com). The Lead Director chairs meetings of our independent directors, meets with any directors who are not adequately performing his or her duties as a member of our Board or any committee and facilitates communications between the Chairman of our Board and other directors. The Lead Director also works with the Chairman of our Board in preparing agendas for each meeting of our Board and consults with the Chairman of our Board on matters relating to corporate governance and board performance.

Our Board believes that its leadership structure is appropriate because it strikes an effective balance between strategy development and independent leadership and management oversight in the Board process.

**Board Committees**

Our Board has established three standing committees – Audit, Compensation and Nominations and Governance – each of which operates under a charter that has been approved by the Board. In addition, the Compensation Committee has designated two of its members to serve on the Stock Plan Subcommittee.

Our Board has determined that all of the members of each of the Board's three standing committees and its one subcommittee are independent as defined under the rules of the NASDAQ Stock Market, including, in the case of all members of the Audit Committee, the independence requirements contemplated by Rule 10A-3 under the Exchange Act. In addition, all of the members of the Audit Committee otherwise satisfy NASDAQ's eligibility requirements for Audit Committee membership.

*Audit Committee*

The Audit Committee's responsibilities include:

reviewing and discussing with management and our independent registered public accounting firm our annual and quarterly financial statements and related disclosures;

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overseeing our compliance with legal and regulatory requirements;

taking appropriate actions, or recommending that our Board take appropriate action, to oversee the qualifications and independence of our independent registered public accounting firm;

monitoring the performance of our internal audit function and independent registered public accounting firm;

overseeing our risk management policies;

reviewing and approving or ratifying any related person transactions; and

preparing the Audit Committee report required by SEC rules, which is included on pages 33 and 34 of this proxy statement.

The Audit Committee currently consists of Messrs. Callahan (Chair), Burke and Peters. Our Board has determined that Mr. Callahan is an "Audit Committee financial expert" as defined in Item 407(d)(5) of Regulation S-K. The Audit Committee met ten times during fiscal 2011. See "Report of the Audit Committee of the Board of Directors."

***Compensation Committee and Stock Plan Subcommittee***

The Compensation Committee's responsibilities include:

administering any bonus, incentive compensation and stock incentive plans;

reviewing and approving the salaries and certain other compensation and benefits of our executive officers;

reviewing and making recommendations to our Board with respect to director compensation;

reviewing and discussing with management our "Compensation Discussion and Analysis," which is included beginning on page 19 of this proxy statement; and

preparing the Compensation Committee report required by SEC rules, which is included on page 23 of this proxy statement.

The Stock Plan Subcommittee of the Compensation Committee grants restricted stock units and other awards under our stock incentive plans to executive officers.

The members of the Compensation Committee are Messrs. McManus (Chair), Doody, Chapple and Peters. The members of the Stock Plan Subcommittee are Messrs. McManus and Peters. The Compensation Committee met six times during fiscal 2011, either in person or by teleconference.

***Nominations and Governance Committee***

The Nominations and Governance Committee's responsibilities include:



identifying individuals qualified to become members of our Board;

recommending to our Board persons to be nominated for election as directors;

developing, reviewing and recommending to our Board applicable corporate governance guidelines; and

overseeing an annual evaluation of our Board.

The members of the Nominations and Governance Committee are Messrs. Peters (Chair) and Callahan. The Nominations and Governance Committee met four times during fiscal 2011.

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**Risk Oversight**

Our Board administers its risk oversight function directly and through its Audit Committee and enterprise risk management program, and receives regular reports from members of senior management on areas of material risk to our company, including operational, financial, legal and regulatory, strategic and reputational risks. As part of its charter, our Audit Committee regularly discusses with management our major risk exposures, their potential financial impact on our company and the steps we take to manage them. In addition, our Compensation Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of risks arising from our compensation policies and programs and succession planning. Our Nominations and Governance Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of risks associated with board organization, membership and structure and corporate governance.

**Communicating with the Independent Directors**

Our Board will give appropriate attention to written communications that are submitted by stockholders, and will respond if and as appropriate. Our Lead Director, with the assistance of our General Counsel, is primarily responsible for monitoring communications from stockholders and for providing copies or summaries to the other directors as he considers appropriate.

Communications are forwarded to all directors if they relate to important substantive matters and include suggestions or comments that our Lead Director considers to be important for the directors to know. In general, communications relating to corporate governance and long-term corporate strategy are more likely to be forwarded than communications relating to ordinary business affairs, personal grievances and matters as to which we receive repetitive or duplicative communications.

Stockholders who wish to send communications on any topic to our Board should address such communications to: Board of Directors, c/o Corporate Secretary, Casella Waste Systems, Inc., 25 Greens Hill Lane, Rutland, Vermont 05701.

**Compensation Committee Interlocks and Insider Participation**

None of our executive officers serves as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of any entity that has one or more executive officers who serve as members of our Board or Compensation Committee. None of the members of our Compensation Committee is a current or former officer or employee of our company.

**Director Nominations Process**

The Nominations and Governance Committee acts under a written charter that we have posted on our website, [www.casella.com](http://www.casella.com). The process followed by the Nominations and Governance Committee to identify and evaluate director candidates includes requests to Board members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates and interviews of selected candidates by members of the Committee and the Board.

*Criteria and Diversity*

Although our Board does not have a formal diversity policy, in considering whether to recommend any particular candidate for inclusion in the Board's slate of recommended director nominees, the Nominations and Governance Committee applies the criteria set forth in our corporate governance guidelines. These criteria include the candidate's integrity, business acumen, knowledge of our business and industry, experience, diligence, absence of conflicts of interest and the ability to act in the interests of all stockholders. The Nominations and Governance Committee does not assign specific weights to

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particular criteria and no particular criterion is a prerequisite for each prospective nominee. We believe that the backgrounds and qualifications of our directors, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow our Board to fulfill its responsibilities to our stockholders.

The director biographies appearing above indicate each nominee's experience, qualifications, attributes and skills that led our Board to conclude that he should continue to serve as a member of our Board. Our Board believes that each of the nominees has substantial achievement in his professional pursuits, and possesses the background, talents and experience that our Board desires and that will contribute to the best interests of our company and to long-term stockholder value.

***Stockholder Nominations***

Stockholders may recommend individuals to the Nominations and Governance Committee for consideration as potential director candidates by submitting their names, together with appropriate biographical information and background materials to: Nominations and Governance Committee, c/o Corporate Secretary, Casella Waste Systems, Inc., 25 Greens Hill Lane, Rutland, Vermont 05701. The Nominations and Governance Committee has no obligation to consider individuals recommended by stockholders for nomination by the Committee as potential director candidates. However, assuming that appropriate biographical and background material has been provided on a timely basis, we expect that individuals recommended by stockholders would be so considered and evaluated by the Nominations and Governance Committee by following substantially the same process, and applying substantially the same criteria, as it follows for candidates identified by others.

Stockholders also have the right under our by-laws to directly nominate director candidates, without any action or recommendation on the part of the Nominations and Governance Committee or the Board, by following the procedures set forth under "Stockholder Proposals for the 2012 Annual Meeting."

At the Annual Meeting, stockholders will be asked to consider the re-election of Messrs. Peters and Doody, both of whom were proposed to our Board by our Nominations and Governance Committee, and nominated for re-election by our Board.

**Risk Considerations in Executive Compensation**

Our Compensation Committee has discussed the concept of risk as it relates to our executive compensation program and our compensation committee does not believe our executive compensation program encourages excessive or inappropriate risk taking. As described more fully below in "Compensation Discussion and Analysis," we structure our pay to consist of both fixed and variable compensation to motivate our executives to produce superior short- and long-term results that are in the best interests of our company and stockholders in order to attain our ultimate objective of increasing stockholder value. We believe that any risks that may arise from our compensation policies and practices for our employees are not reasonably likely to have a material adverse effect on our company.

**Compensation of Directors**

The form and amount of director compensation is determined by our Board in accordance with the policies and principles set forth below. The Compensation Committee conducts an annual review of the compensation of our directors. The Compensation Committee understands that questions as to directors' independence may be raised if director compensation and perquisites exceed customary levels, if we make substantial charitable contributions to organizations with which a director is affiliated or if we enter into consulting contracts or business arrangements with (or provide other indirect forms of compensation to) a director or an organization with which the director is affiliated.

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**Forms of Director Compensation**

Our Board believes that directors should be incentivized to focus on long-term stockholder value. Including equity as part of director compensation helps align the interest of directors with those of our stockholders.

We seek to attract exceptional talent to our Board. Therefore, our policy is to compensate directors at least competitively relative to comparable companies. Our Board believes that it is appropriate for the chairmen and members of the committees to receive additional compensation for their services in those positions.

*Cash Compensation* We reimburse non-employee directors for expenses incurred in attending Board and committee meetings. In addition, non-employee directors currently receive \$6,250 for each fiscal quarter that the non-employee director serves on the Board, an additional \$1,500 for each meeting of the Board that the non-employee director attends in person, an additional \$1,000 for each meeting of the Board that the non-employee director attends by telephone, an additional \$1,000 for each meeting of a committee or subcommittee of the Board that the non-employee director attends in person and an additional \$500 for each meeting of a committee or subcommittee of the Board that the non-employee director attends by telephone. The non-employee director serving as chairman of the Audit Committee received an additional \$15,000 for his service in fiscal 2011. Each non-employee director serving as a chairman of other committees of the Board receives an additional \$5,000 per fiscal year. In addition to the compensation described above, Mr. Peters receives an additional \$18,750 for each fiscal quarter that he serves as our Lead Director.

*Equity Based Compensation* Each new non-employee director receives shares of restricted Class A common stock on the date of such director's initial election to our Board having a value on the date of grant of \$50,000, vesting in three equal annual installments over the three year period following the date of grant. Each incumbent non-employee director, other than non-employee directors who were initially elected to our Board at an Annual Meeting or at any time after the prior year's Annual Meeting, receives an additional grant of shares of restricted Class A common stock having a value on the date of grant of \$50,000, vesting in three equal annual installments over the three year period following the date of grant, at the time of each Annual Meeting of stockholders. Our Board has adopted certain stock ownership guidelines for its non-employee directors as described above.

We have also entered into or engaged in certain transactions with our directors or affiliates of our directors. See "Certain Relationships and Related Party Transactions."

The following table provides compensation information for fiscal 2011 for each non-employee director who served on our Board at any time during fiscal 2011. Messrs. John Casella and Douglas Casella are

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officers of Casella Waste Systems, Inc. and do not receive any compensation for serving as directors or for attending meetings of our Board or its committees.

**Non-Employee Director Compensation for Fiscal 2011**

| Name                   | Fees Earned or<br>Paid in Cash | Stock Awards (1)(2) | Total      |
|------------------------|--------------------------------|---------------------|------------|
| Michael K. Burke       | \$ 40,000                      | \$ 50,000           | \$ 90,000  |
| John F. Chapple III    | \$ 40,000                      | \$ 50,000           | \$ 90,000  |
| James F. Callahan, Jr. | \$ 60,500                      | \$ 50,000           | \$ 110,500 |
| Joseph G. Doody        | \$ 39,000                      | \$ 50,000           | \$ 89,000  |
| James P. McManus       | \$ 40,500                      | \$ 50,000           | \$ 90,500  |
| Gregory B. Peters      | \$ 130,500                     | \$ 50,000           | \$ 180,500 |

(1)

Amounts shown in this column reflect the aggregate grant date fair value calculated in accordance with Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, Topic 718 of awards granted in fiscal 2011 under our 2006 Stock Incentive Plan for service on our Board. Restricted stock awards were granted at the fair market value as of the date of the grant, based upon the last reported sale price of the Class A common stock on the NASDAQ Stock Market. The restricted stock awards vest in equal annual installments over the three-year period following the date of grant, beginning on the first anniversary of the date of grant. The individual restricted stock awards reflected in the compensation table above are summarized below.

| Name                   | Grant Date | Number of Shares of<br>Restricted Stock<br>Granted in Fiscal<br>2011 | Grant Date Fair Value<br>of Awards in<br>Fiscal 2011 |
|------------------------|------------|--|--|
| Michael K. Burke       | 10/12/10   | 10,395   | \$ 50,000  |
| John F. Chapple III    | 10/12/10   | 10,395   | \$ 50,000  |
| James F. Callahan, Jr. | 10/12/10   | 10,395   | \$ 50,000  |
| Joseph G. Doody        | 10/12/10   | 10,395   | \$ 50,000  |
| James P. McManus       | 10/12/10   | 10,395   | \$ 50,000  |
| Gregory B. Peters      | 10/12/10   | 10,395   | \$ 50,000  |

(2)

As of April 30, 2011, our non-employee directors held the following aggregate number of shares under outstanding equity awards:

| Name                   | Aggregate Stock<br>Awards | Aggregate Number of Shares<br>Underlying Option Awards |
|------------------------|---------------------------|--|
| Michael K. Burke       | 27,696                    | 7,500  |
| John F. Chapple III    | 33,154                    | 52,500   |
| James F. Callahan, Jr. | 33,154                    | 35,000   |
| Joseph G. Doody        | 33,154                    | 30,000   |
| James P. McManus       | 33,154                    | 22,500   |
| Gregory B. Peters      | 33,154                    | 52,500   |

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**EXECUTIVE COMPENSATION**

**Compensation Discussion and Analysis**

This section discusses the principles underlying our executive compensation policies and decisions and the most important factors relevant to an analysis of these policies and decisions. It provides qualitative information regarding the manner and context in which compensation is awarded to and earned by our executives and is intended to place in perspective the data presented in the tables and narrative that follow.

**The Role of Our Compensation Committee**

The Compensation Committee, including its Stock Plan Subcommittee, is responsible for overseeing the compensation of our executive officers. In this capacity, our Compensation Committee administers our bonus, incentive compensation and stock incentive plans, and approves the salaries and other benefits of our executive officers. In addition, the Compensation Committee consults with management regarding our benefit plans and compensation policies and practices.

To assist the Compensation Committee in discharging its responsibilities, the Committee has engaged Towers Watson, an independent global consulting firm. Towers Watson provides the Compensation Committee with relevant market data and alternatives to consider when making executive compensation decisions. The Compensation Committee also considers compensation information from other sources, including from publicly available industry compensation information and general economic trends in the areas in which our executive officers work and live.

**Objectives and Philosophy of Our Executive Compensation Program**

The Compensation Committee, including its Stock Plan Subcommittee, seeks to achieve three broad objectives in connection with our executive compensation program. First, the Compensation Committee seeks to reward executives for the achievement of business objectives. Second, the executive compensation program is intended to provide executives with equity incentives so as to link a portion of the executive's compensation with the future performance of our Class A common stock, thereby aligning the interests of our executives with those of our stockholders. Finally, the Compensation Committee structures its executive compensation program so as to enable us to attract and retain qualified and talented executives.

We have entered into employment agreements with each of our executive officers. These employment agreements establish annual base salary and annual bonus amounts that the Compensation Committee may increase. In general, the Compensation Committee has tied potential bonus compensation to performance factors, including the executive officer's efforts and contributions towards obtaining corporate objectives and our company's performance.

In making compensation decisions, the Compensation Committee considers a number of factors, including the compensation packages paid by a peer group of publicly traded companies in the waste management industry selected by the Committee. This peer group, which is periodically reviewed and updated by the Compensation Committee after consultation with an independent compensation consultant (Towers Watson served in this capacity in fiscal 2011), consists of companies we believe are generally comparable to us. The companies included in this peer group for fiscal 2011 were Waste Services, Inc. and WCA Waste Corp. The Compensation Committee looks to this information in order to obtain a general understanding of current compensation practices in the industry but does not formally use that information to benchmark its executive compensation. The Compensation Committee also relies on various other factors, including existing compensation paid to executives, experience level of the individual, market factors, general economic conditions, corporate performance and cost of living in the areas where our executives live.

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**Components of our Executive Compensation Program**

The primary elements of our executive compensation program are:

base salary;

annual cash incentive bonuses;

stock performance awards; and

severance and change-of-control benefits.

We do not have any policy or target for allocating compensation between long-term and short-term compensation, between cash and non-cash compensation or among the different forms of non-cash compensation. Instead, the Compensation Committee determines what it believes to be the appropriate level and mix of the various compensation components based on its review of compensation of similarly situated executives in our peer group, the advice of its compensation consultant and our compensation philosophy described previously.

**Base Salary**

Base salary is used to recognize the experience, skills, knowledge and responsibilities required of all our employees, including our executives. Base salaries are reviewed at least annually by our Compensation Committee. When establishing base salaries for fiscal 2011, the Compensation Committee began by reviewing the total base salary paid to each of our executives during the fiscal year ended April 30, 2010, which we refer to as fiscal 2010, and, for each executive officer, used that amount as a baseline for establishing fiscal 2011 base salary. The Compensation Committee then considered whether to make any increases or decreases to this baseline for fiscal 2011. Based primarily upon our operational and financial performance in fiscal 2010, the Compensation Committee decided not to increase the base salaries of our named executive officers in fiscal 2011, except for Mr. Massaro, whose salary was increased by 14%, from \$175,000 to \$200,000, effective July 2, 2010, as a result of Mr. Massaro's promotion from Director of Finance to Vice President and Controller. In fiscal 2011, our other named executive officers' annual base salaries were as follows: Mr. Casella, \$361,333; Mr. Johnson, \$300,000; Mr. Bohlig, \$344,784; and Mr. Larkin, \$280,000.

**Annual Cash Incentive Bonus**

The employment agreement of each of our executive officers provides that such executive officer will be eligible to receive a bonus consisting of cash, a stock award or a combination thereof in an amount, if any, to be determined by the Compensation Committee after the conclusion of each fiscal year.

The annual cash incentive bonuses for executive officers are intended to compensate for the achievement of company strategic, operational and financial goals. Amounts payable under the annual cash incentive bonus plan are calculated as a percentage, from zero to 150%, of a specified percentage of the applicable executive's base salary. For fiscal 2011, the specified percentage of fiscal 2011 annual base salary was 85% for each of Messrs. Douglas Casella, Johnson, Bohlig and Larkin, 100% for Mr. John Casella and 45% for Mr. Massaro. The fiscal 2011 bonus plan provided for the payment of a cash bonus based on (i) our earnings before interest and tax, or EBIT; (ii) our earnings before interest, tax, depreciation and amortization, severance and reorganization charges, goodwill impairment charge, environmental remediation charge, as well as development project charges, or Adjusted EBITDA; and (iii) net cash provided by operating activities less capital expenditures, payments on landfill operating lease contracts, and assets acquired through financing leases, plus proceeds from the sale of assets and property and equipment, or Free Cash Flow. In addition, for the purpose of calculating amounts payable under this bonus plan, Free Cash Flow is also adjusted for net effects of our financing as compared to target. An aggregate of 25% of the bonus was to be paid upon the achievement of each of the EBIT and Adjusted

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EBITDA target levels; and 50% was to be paid upon the achievement of Free Cash Flow target levels. A greater or lesser amount was payable in the event the targets were exceeded or not met.

***Fiscal 2011 Bonus Plan***

For fiscal 2011, the target levels for each metric were as set forth below. The target levels were determined following a review of internal projections. The Compensation Committee worked with our Chief Executive Officer to develop corporate goals that they believed could be reasonably achieved with hard work during the year, based on economic conditions in effect at the time the targets were adopted.

| <b>Target</b>   | <b>Target Range</b>                |
|-----------------|------------------------------------|
| EBIT            | \$46.8 million to \$48.8 million   |
| Adjusted EBITDA | \$125.1 million to \$130.5 million |
| Free Cash Flow  | \$0.9 million to \$13.0 million    |

In June 2011, the Compensation Committee determined that we had not met the corporate targets for fiscal 2011 set forth above, and we did not pay any cash bonuses to our named executive officers under the 2011 bonus plan. However, the Compensation Committee determined that in recognition of the value created through the successful divestiture of the non-integrated recycling assets and the steps taken to recapitalize our balance sheet at lower interest rates, it was appropriate to reward our named executive officers. Accordingly, in June 2011, the Compensation Committee granted discretionary bonuses to our named executive officers as follows: Mr. Casella, \$270,667; Mr. Johnson, \$252,938; Mr. Bohlig, \$148,257; Mr. Larkin, \$168,000; and Mr. Massaro, \$70,100.

***Fiscal 2012 Bonus Plan***

In June 2011, the Compensation Committee approved a cash bonus plan for fiscal 2012, pursuant to which our executive officers are eligible to receive an annual cash bonus upon our achievement of specified targets with respect to the following corporate goals for fiscal 2012: earnings before interest and tax, adjusted to exclude any accruals for incentive bonus and any one-time non-recurring gains or losses, or Pre-Bonus EBIT, and price growth from existing customers, or Price Growth. Under the Bonus Plan, each of Douglas Casella, Paul Larkin and Edwin Johnson is eligible to receive an annual cash bonus of up to 85% of his annual base salary for fiscal 2012, and John Casella is eligible to receive an annual cash bonus of up to 100% of his annual base salary for fiscal 2012. Mr. Bohlig ceased serving as an employee on March 1, 2011. As a result of Mr. Johnson's hiring, Mr. Massaro ceased serving as our principal financial and accounting officer in July 2010 and is not eligible to receive a bonus under the fiscal 2012 bonus plan.

For fiscal 2012, the aggregate percentage of the bonus to be paid upon achievement of the specified targets are as follows:

| <b>Target</b>  | <b>Aggregate Percentage Payout Upon Achievement of Target</b> |
|----------------|---|
| Pre-Bonus EBIT | 85%   |
| Price Growth   | 15%   |

The Compensation Committee worked with our Chief Executive Officer to develop corporate goals for fiscal 2012 that they believe can be reasonably achieved with hard work over the next year, taking into account the current economic environment.

**Stock Awards Granted in Fiscal 2011**

Our executive officers are also eligible to receive stock awards under our stock incentive plans. Historically, the use of stock options had been a significant element of the compensation packages of our executive officers. The stock options we have granted to our executives vest in equal, annual installments



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over a three or four year period of the ten-year option term, beginning on the first anniversary of the date of grant. Exercise rights generally cease shortly after termination of employment except in the case of death or disability, although in certain circumstances the exercise period may be extended if the Compensation Committee believes the extension is in our best interests. Prior to the exercise of an option, the holder has no rights as a stockholder with respect to the shares subject to such option, including voting rights and the right to receive dividends or dividend equivalents. It has been the policy of the Stock Plan Subcommittee to set the exercise price of the stock options at a price that is at least equal to the fair market value of a share of our Class A common stock as of the date of grant.

Beginning in 2009, the Compensation Committee began to issue restricted stock units in the belief that they would generally serve as a more effective equity incentive program than stock options. These restricted stock units, each of which represents the right to receive a share of our Class A common stock, are subject to vesting. For fiscal 2011, restricted stock units were granted subject to vesting conditions based 50% on continued employment and 50% on achievement of a target return on net assets. The 50% of restricted stock units which vest based on continued employment vest in equal annual installments over a three-year period. The 50% of restricted stock units which vest based on target return on net assets will vest upon the achievement of a target return for the fiscal year ended April 30, 2013, which we refer to as fiscal 2013, and the executive may receive a lesser or greater amount, up to 150% of the original portion of the grant that is subject to vesting based on the target return, if such target is not met or is exceeded. The restricted stock units will vest in full upon a change of control of the company. The Compensation Committee worked with our Chief Executive Officer to develop the target return on net assets for fiscal 2013 and believes that it is attainable.

For fiscal 2012, the Compensation Committee granted restricted stock units with vesting conditions based 50% on continued employment and 50% based on achievement of a target return on net assets. The 50% of restricted stock units which vest based on continued employment vest in equal annual installments over a three-year period. The 50% of restricted stock units which vest based on target return on net assets will vest upon the achievement of a target return for the fiscal year ended April 30, 2014, which we refer to as fiscal 2014, and the executive may receive a lesser or greater amount, up to 150% of the original portion of the grant that is subject to vesting based on the target return, if such target is not met or is exceeded. The restricted stock units will vest in full upon a change of control of the company. The Compensation Committee worked with our Chief Executive Officer to develop the target return on net assets and believes that the target return on net assets for fiscal 2014 is attainable.

We do not have a program, plan or practice of timing the grant of equity awards in coordination with the release of material non-public information. We typically make equity awards to our officers and employees when the person is first hired and thereafter once annually at a regularly scheduled Compensation Committee meeting at the commencement of the respective fiscal year.

**Benefits and Other Compensation**

We maintain broad based benefits that are provided to all employees, including health and dental insurance, life and disability insurance and a 401(k) plan. Our executive officers are eligible to participate in all of our employee benefit plans, in each case on the same basis as other employees.

**Severance and Change-of-Control Benefits**

Pursuant to employment agreements we have entered into with our executive officers, our executive officers are entitled to specified benefits in the event of the termination of their employment under specified circumstances, including termination following a change of control of our company. We have provided more detailed information about these benefits, along with estimates of their value under various circumstances, under the caption " Potential Payments Upon Termination or Change of Control" below.

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**Compliance with Internal Revenue Code Section 162(m)**

Section 162(m) of the Internal Revenue Code of 1986, as amended, or the Code, generally disallows a tax deduction for compensation in excess of \$1.0 million paid to a company's chief executive officer and its three other officers (other than the chief financial officer) whose compensation is required to be reported to our stockholders pursuant to the Exchange Act by reason of being among our most highly paid executive officers. Certain compensation, including qualified performance based compensation, may be deducted if certain requirements are met. The Compensation Committee, including its Stock Plan Subcommittee, reviews the potential effect of Section 162(m) periodically and uses its judgment to authorize compensation payments that may be in excess of the limit when it believes such payments are appropriate and in the best interests of our stockholders, after taking into consideration changing business conditions and the performance of our employees. The potential compensation arising from the grant of performance stock units to executive officers in fiscal 2012 is subject to the limitations effected by Section 162(m).

**Report of the Compensation Committee**

Our Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management. Based on this review and discussion, our Compensation Committee recommended to our Board that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference in our Annual Report on Form 10-K for the year ended April 30, 2011.

*By the Compensation  
Committee of the Board  
of  
Directors of Casella  
Waste Systems, Inc.*  
James P. McManus,  
Chair  
John F. Chapple III  
Joseph G. Doody  
Gregory B. Peters

Table of Contents**Summary Compensation Table**

The following table sets forth the total compensation paid or accrued for fiscal 2011, fiscal 2010 and fiscal 2009 to our named executive officers.

| Name and Principal Position  | Fiscal Year | Salary     | Bonus      | Option Award     | Stock Award      | All Other        | Total        |
|--|-------------|------------|------------|------------------|------------------|------------------|--------------|
|  |             |            |            | Compensation (1) | Compensation (2) | Compensation (3) |              |
| John W. Casella  | 2011        | \$ 361,333 | \$ 270,667 |                  | \$ 308,472       | \$ 28,905        | \$ 969,377   |
| Chief Executive Officer  | 2010        | \$ 361,333 | \$ 42,583  |                  | \$ 337,112       | \$ 18,096        | \$ 759,124   |
| (principal executive officer)                                      | 2009        | \$ 361,333 |            |                  |                  | \$ 18,334        | \$ 379,667   |
| Edwin D. Johnson (4)   | 2011        | \$ 246,591 | \$ 252,938 | \$ 952,500       |                  | \$ 17,820        | \$ 1,469,849 |
| Senior Vice President and Chief Financial Officer                  |             |            |            |                  |                  |                  |              |
| (principal financial officer)                                      |             |            |            |                  |                  |                  |              |
| Paul J. Massaro (4)  | 2011        | \$ 195,833 | \$ 70,100  |                  | \$ 63,298        | \$ 7,500         | \$ 336,731   |
| Vice President and Controller (former principal financial officer) | 2010        | \$ 175,000 | \$ 35,426  |                  | \$ 31,931        | \$ 6,100         | \$ 248,457   |
|  | 2009        |            |            |                  |                  |                  |              |
| Paul A. Larkin   | 2011        | \$ 280,000 | \$ 168,000 |                  | \$ 295,814       | \$ 85,947        | \$ 829,761   |
| President and Chief Operating Officer                              | 2010        | \$ 280,000 | \$ 28,048  |                  | \$ 321,891       | \$ 73,738        | \$ 703,677   |
|  | 2009        | \$ 280,000 |            |                  |                  | \$ 51,654        | \$ 331,654   |
| James W. Bohlig (5)  | 2011        | \$ 287,320 | \$ 148,257 | \$ 136,105       | \$ 267,031       | \$ 32,042        | \$ 870,755   |
| Former Senior Vice President and Chief Development Officer         | 2010        | \$ 344,784 | \$ 34,538  |                  | \$ 294,041       | \$ 21,416        | \$ 694,779   |
|  | 2009        | \$ 344,784 |            |                  |                  | \$ 19,211        | \$ 363,995   |

(1) Amounts shown in this column reflect the aggregate grant date fair value for option awards granted, or the incremental fair value as of the modification date for option awards modified, under our 2006 Stock Incentive Plan in accordance with the FASB ASC Topic 718. The assumptions used to calculate the value of option awards are set forth under Note 13 of the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended April 30, 2011.

(2) Amounts shown in this column reflect the aggregate grant date fair value of the restricted stock units and performance stock units awarded in accordance with FASB ASC Topic 718 for stock awards granted under our 2006 Stock Incentive Plan. Stock award compensation is based upon the last reported sales price of our Class A common stock on the NASDAQ Stock Market on the grant date. Stock award compensation for performance based stock awards assumes 100% attainment of the underlying performance metrics. The grant date fair values of the award assuming that the highest level of performance conditions will be achieved, or 125%, are as follows: \$350,755 for Mr. Casella, \$71,974 for Mr. Massaro, \$336,363 for Mr. Larkin, and \$303,634 for Mr. Bohlig.

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- (3) The amounts reported in All Other Compensation reflect, for each named executive officer, the sum of (i) the incremental cost to us of all perquisites and other personal benefits; (ii) the amount we contributed to the 401(k) plan; and (iii) the dollar value of life insurance premiums we paid. Specifically, All Other Compensation includes:

| Name             | Fiscal Year | Life Insurance Premiums Paid | Dollar Value Contributed to the Executive's Account under 401(k) Plan | Incremental Cost of All Perquisites and Other Personal Benefits | All Other Compensation |
|------------------|-------------|------------------------------|---|---|------------------------|
| John W. Casella  | 2011        | \$ 7,069                     |   | \$21,836 (a)  | \$ 28,905              |
|                  | 2010        | \$ 7,450                     |   | \$10,646  | \$ 18,096              |
|                  | 2009        | \$ 6,903                     | \$ 250  | \$11,181  | \$ 18,334              |
| Edwin D. Johnson | 2011        |                              | \$ 1,500  | \$16,320 (b)  | \$ 17,820              |
| Paul J. Massaro  | 2011        |                              | \$ 1,500  | \$6,000 (c)   | \$ 7,500               |
|                  | 2010        |                              |   | \$6,100   | \$ 6,100               |
| Paul A. Larkin   | 2011        |                              |   | \$85,947 (d)  | \$ 85,947              |
|                  | 2010        |                              |   | \$73,738  | \$ 73,738              |
|                  | 2009        |                              |   | \$51,654  | \$ 51,654              |
| James W. Bohlig  | 2011        | \$ 6,500                     |   | \$25,542 (e)  | \$ 32,042              |
|                  | 2010        | \$ 7,800                     |   | \$13,616  | \$ 21,416              |
|                  | 2009        | \$ 7,800                     |   | \$11,411  | \$ 19,211              |

- (a) Consists of medical insurance premiums of \$10,260 and automobile premiums of \$11,576 paid directly by us.
- (b) Consists of an automobile allowance of \$6,411, automobile premiums of \$494, relocation expenses of \$4,874, and temporary living expenses of \$4,541 paid directly by us. The relocation and temporary living expenses are in connection with Mr. Johnson's move to the Rutland, Vermont area to join Casella Waste Systems, Inc.
- (c) Consists of an automobile allowance of \$6,000 paid directly by us.
- (d) Consists of automobile premiums of \$10,947 and housing expenses of \$75,000 paid directly by us. The housing expenses are in connection with Mr. Larkin's move to the Rutland, Vermont area to join Casella Waste Systems, Inc.
- (e) Consists of medical insurance premiums of \$9,405 and automobile premiums of \$16,137 paid directly by us.
- (4) On July 6, 2011, we appointed Mr. Johnson as our Chief Financial Officer and principal financial and accounting officer. Mr. Massaro served as our interim principal financial and accounting officer from September 28, 2009 until the appointment of Mr. Johnson.
- (5) In March, 2011, Mr. Bohlig resigned as officer and director of Casella Waste Systems, Inc. and its subsidiaries.

Table of Contents**Grants of Plan Based Awards in Fiscal 2011**

The following table sets forth information regarding grants of equity awards made to our named executive officers during fiscal 2011.

| Name             | Grant Date | Number of Securities Underlying Performance Stock Units (1) |            |             | Number of Securities Underlying Restricted Stock Units | Number of Securities Underlying Options | Exercise or Base Price of Award (\$/sh) (2) | Grant Date Fair Value of Awards (3) |
|------------------|------------|---|------------|-------------|--|---|---|-------------------------------------|
|                  |            | Threshold (#)   | Target (#) | Maximum (#) |  |   |   |                                     |
| John W. Casella  | 6/10/2010  |   |            |             | 40,271   | \$ 3.46                                 | \$ 139,338                                  |                                     |
|                  | 6/16/2010  | 20,135  | 40,270     | 50,338      |  | \$ 4.20                                 | \$ 169,134                                  |                                     |
| Edwin D. Johnson | 7/6/2010   |   |            |             |  | \$ 3.81                                 | \$ 952,500                                  |                                     |
|                  |            |   |            |             | 250,000  |   |   |                                     |
| Paul J. Massaro  | 6/10/2010  |   |            |             | 8,264  | \$ 3.46                                 | \$ 28,593                                   |                                     |
|                  | 6/16/2010  | 4,132   | 8,263      | 10,329      |  | \$ 4.20                                 | \$ 34,705                                   |                                     |
| Paul A. Larkin   | 6/10/2010  |   |            |             | 38,618   | \$ 3.46                                 | \$ 133,618                                  |                                     |
|                  | 6/16/2010  | 19,309  | 38,618     | 48,273      |  | \$ 4.20                                 | \$ 162,196                                  |                                     |
| James W. Bohlig  | 6/10/2010  |   |            |             | 34,861   | \$ 3.46                                 | \$ 120,619                                  |                                     |
|                  | 6/16/2010  | 17,430  | 34,860     | 43,757      |  | \$ 4.20                                 | \$ 146,412                                  |                                     |

- (1) The number of securities underlying performance stock units assumes 50%, 100% and 125% attainment of the underlying performance metrics for the threshold, target and maximum, respectively.
- (2) The value of a stock option award is based on the fair value as of the grant date of such award determined in accordance with FASB ASC Topic 718, and disregards estimates of forfeitures related to service based vesting conditions. The value of a restricted and performance stock unit is based on the last reported sales price of our Class A common stock on the NASDAQ Stock Market on the grant date.
- (3) The grant date fair value of performance based stock units assumes 100% attainment of the underlying performance metrics.

Table of Contents**Outstanding Equity Awards at Fiscal 2011 Year-End**

The following table summarizes outstanding unexercised options and stock units that have not vested and related information for each of our named executive officers as of April 30, 2011.

| Name             | Option Awards (1)   |   |                               |                        | Stock Awards  |   |
|------------------|---|---|-------------------------------|------------------------|---|---|
|                  | Number of Securities Underlying Unexercised Options Exercisable (#) | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$/sh) | Option Expiration Date | Unearned Shares, Units or Other Rights that Have Not Vested (#) | Market Value of Unearned Shares or Stock Units that Have Not Vested |
| John W. Casella  | 30,000  |   | \$ 8.65                       | 7/31/2012              |   |   |
|                  | 30,000  |   | \$ 9.12                       | 6/18/2013              |   |   |
|                  | 30,000  |   | \$ 13.28                      | 6/28/2014              |   |   |
|                  | 30,000  |   | \$ 12.00                      | 6/30/2015              |   |   |
|                  | 30,000  |   | \$ 13.00                      | 7/6/2016               |   |   |
|                  | 14,000  |   | \$ 11.01                      | 7/23/2017              |   |   |
|                  |   |   |                               |                        | 35,727 (2) \$   | 241,515   |
|                  |   |   |                               |                        | 26,796 (3) \$   | 181,141   |
|                  |   |   |                               |                        | 40,271 (4) \$   | 272,232   |
|                  |   |   |                               |                        | 40,270 (5) \$   | 272,225   |
| Edwin D. Johnson |   | 250,000   | \$ 3.81                       | 7/6/2020               |   |   |
| Paul J. Massaro  | 3,000   |   | \$ 13.00                      | 7/6/2016               |   |   |
|                  | 1,000   |   | \$ 11.01                      | 7/23/2017              |   |   |
|                  |   |   |                               |                        | 3,466 (2) \$  | 23,430  |
|                  |   |   |                               |                        | 2,600 (3) \$  | 17,576  |
|                  |   |   |                               |                        | 8,264 (4) \$  | 55,865  |
|                  |   |   |                               |                        | 8,263 (5) \$  | 55,858  |
| Paul A. Larkin   | 50,000  |   | \$ 12.96                      | 1/9/2018               |   |   |
|                  |   |   |                               |                        | 34,261 (2) \$   | 231,604   |
|                  |   |   |                               |                        | 25,696 (3) \$   | 173,705   |
|                  |   |   |                               |                        | 38,618 (4) \$   | 261,058   |
|                  |   |   |                               |                        | 38,618 (5) \$   | 261,058   |
| James W. Bohlig  | 30,000  |   | \$ 8.65                       | 7/31/2012              |   |   |
|                  | 30,000  |   | \$ 9.12                       | 9/1/2012               |   |   |
|                  | 30,000  |   | \$ 13.28                      | 9/1/2012               |   |   |
|                  | 30,000  |   | \$ 12.00                      | 9/1/2012               |   |   |
|                  | 30,000  |   | \$ 13.00                      | 9/1/2012               |   |   |
|                  | 14,000  |   | \$ 11.01                      | 9/1/2012               |   |   |

- (1) The options vest in equal, annual installments over a three or four year period, beginning on the first anniversary of the date of grant or the date of grant.
- (2) Represents restricted stock units granted on June 11, 2009. Restricted Stock Units vest in equal, annual installments over a three-year period beginning on the first anniversary of the date of grant.
- (3) Represents performance stock units granted on June 11, 2009. Performance stock units are subject to vesting based on our attainment of a targeted return on net assets for fiscal 2012 and are shown here assuming 50% attainment of the underlying performance metrics.
- (4) Represents restricted stock units granted on June 10, 2010. Restricted Stock Units vest in equal, annual installments over a three-year period beginning on the first anniversary of the date of grant.
- (5)

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Represents performance stock units granted on June 16, 2010. Performance stock units are subject to vesting based on our attainment of a targeted return on net assets for fiscal 2013 and are shown here assuming 100% attainment of the underlying performance metrics.

Table of Contents**Option Exercises and Stock Award Vesting During Fiscal 2011**

| Name             | Stock Awards                                |                              |
|------------------|---|------------------------------|
|                  | Number of Shares<br>Acquired on Vesting (1) | Value Realized<br>on Vesting |
| John W. Casella  | 17,863                                      | \$ 71,452                    |
| Edwin D. Johnson |   |                              |
| Paul J. Massaro  | 1,733                                       | \$ 6,932                     |
| Paul A. Larkin   | 17,130                                      | \$ 68,520                    |
| James W. Bohlig  | 124,946                                     | \$ 836,989                   |

(1)

Number of shares acquired on vesting of stock awards is the gross number of shares vested, including shares that were surrendered to us for the payment of withholding taxes pursuant to the terms of our 2006 Stock Incentive Plan.

**Potential Payments Upon Termination or Change of Control****Employment Agreements**

We have employment agreements with Messrs. John Casella, Larkin and Johnson, and we had an employment agreement with Mr. Bohlig prior to his resignation from our company on March 1, 2011. Our employment agreements with Messrs. Casella and Bohlig commenced as of December 8, 1999. Our employment agreement with Mr. Larkin commenced as of January 9, 2008, and our employment agreement with Mr. Johnson commenced on July 6, 2010. Each of Messrs. Casella's, Larkin's and Johnson's employment agreement has, and our employment agreement with Mr. Bohlig had, an initial term of three years from the commencement date and is automatically renewable for additional terms of one year unless terminated by either party pursuant to the terms of the agreement. In December 2008 and December 2010, we amended our employment agreements with Messrs. John Casella, Bohlig and Larkin to document compliance with, and, as applicable, exemption from, Section 409A of the Code. In connection with the divestiture of certain of our assets, on March 1, 2011, Mr. Bohlig resigned and terminated his employment agreement with us. He was not entitled to any severance benefits under his employment agreement. On March 1, 2011, Mr. Bohlig, along with other employees who resigned in connection with the asset divestiture, received the following benefits: full and immediate vesting of all unvested stock options, an 18-month period in which to exercise stock options, full vesting of all outstanding performance stock units and partial vesting of outstanding time-based restricted stock units.

Pursuant to the terms of their employment agreements, each of Messrs. Casella, Larkin and Johnson is entitled to a specified annual base salary, subject to adjustment as set forth in the agreement, an annual bonus consisting of cash, stock awards or a combination of cash and stock awards, in an amount determined by the Compensation Committee prior to the conclusion of each fiscal year, and a severance package upon the termination of employment. We have agreed to use our best efforts to assure that Mr. John Casella is elected to our Board for the duration of his term of employment. In addition, within 15 days of executing his employment agreement with us, Mr. Larkin received a stock option to purchase 50,000 shares of our Class A common stock and a one-time make whole benefit of \$200,000, one-half paid in cash and one-half paid in restricted stock units. Within 15 days of Mr. Johnson executing his employment agreement with us he received a stock option to purchase 250,000 shares of our Class A common stock. Additionally, we will reimburse Mr. Johnson for \$105,000 in relocation expenses.

Pursuant to their employment agreements, in fiscal 2011, the annual base salary of Mr. Casella was \$361,333, and the annual base salary of Mr. Larkin was \$280,000. Mr. Johnson's employment with us commenced in fiscal 2011.

Mr. Casella also agreed not to compete with us for a period of two years after the termination of his employment within 300 miles of any facility operated by us during the term of his employment and not to solicit our customers, accounts or employees. In connection with our divestiture of certain assets and Mr. Bohlig's commencement of employment with the purchaser of such divested assets, Mr. Bohlig



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entered into an agreement with us, pursuant to which he agreed not to compete with us or solicit our employees or customers while he is employed by such purchaser and for a period of two years after the termination of his employment or resignation for good reason from such employment. Each of Messrs. Larkin and Johnson agreed not to compete with us for a period of one year after the termination of his employment within 100 miles of any facility operated by us during the term of his employment and not to solicit our customers, accounts or employees. In the event that Mr. Casella terminates his employment voluntarily and is not entitled to severance, the non-compete provisions of his agreement would not apply unless we continue to pay his base salary and any termination benefits or payments required under his agreement.

In the event Mr. Casella's employment is terminated by us other than for cause (as defined below), he will be entitled to payment of an amount equal to (a) three times the sum of (i) his highest base salary paid under the agreement and (ii) the higher of the most recent bonus paid to him under his agreement or 50% of his base salary immediately prior to such termination, plus (b) an amount in cash equal to the value of any accrued but unpaid base salary, bonus and vacation pay. In addition, Mr. Casella will continue to receive healthcare and other benefits for a period of three years from the date of termination, and any stock options or equity grants issued by us to him will become exercisable in full upon termination without cause. In the event that Mr. Casella terminates his employment with us for good reason or qualified good reason (as defined below), he will receive the maximum payments described in the preceding two sentences plus an additional payment intended to compensate him for excise taxes under Section 4999 of the Code payable in connection with the severance payments.

In the event Mr. Larkin's employment is terminated by us without cause, he will be entitled to payment of an amount equal to (a) 12 months of the highest base salary paid to Mr. Larkin prior to his termination, (b) 70% of his base salary immediately prior to such termination and (c) an amount in cash equal to any accrued but unpaid base salary, bonus and vacation pay. Any stock options or equity grants issued by us to Mr. Larkin will become exercisable in full upon termination without cause. In the event that Mr. Larkin terminates his employment for good reason, he will be entitled to receive the severance payments described in the preceding two sentences plus an additional payment intended to compensate him for excise taxes under Section 4999 of the Code payable in connection with the severance payments.

In the event Mr. Johnson's employment is terminated by us without cause, he will be entitled to payment of an amount equal to the sum of (a) two times his highest base salary at any time prior to such termination, (b) two times 85% of his highest base salary at any time prior to such termination, and (c) an amount in cash equal to the value of any accrued but unpaid base salary, bonus and vacation pay. In addition, Mr. Johnson will continue to receive healthcare and other benefits for a period of two years from the date of termination. Any stock options or equity grants issued by us to Mr. Johnson will become exercisable in full upon termination without cause. In the event that Mr. Johnson terminates his employment with us for good reason, defined as the assignment of any duties inconsistent with his status as Senior Vice President and Chief Financial Officer, a material adverse alteration in the nature or status of his responsibilities from those provided in the agreement or the transfer of a significant portion of such responsibilities to one or more other persons, or a material diminution in his compensation, Mr. Johnson will receive the maximum payments and benefits described in the preceding three sentences and an additional payment intended to compensate him for excise taxes under Section 4999 of the Code payable in connection with the severance payments.

For purposes of each agreement discussed above, "cause" means the discharge of the employee resulting from (a) a conviction of a crime involving us; (b) an act or omission which has a material adverse effect on us; (c) fraud, misappropriation or embezzlement; or (d) the breach of confidentiality, non-competition or other material obligations by the employee. For the purposes of the employment agreements of Messrs. Casella and Larkin discussed above, "good reason" means the occurrence of (a) a change of control, accompanied by, or followed within the 12-month period after a change of control by (b) (i) the assignment to the employee of any duties inconsistent with his status prior to the change of control or which require travel significantly more time-consuming than that required at commencement of the agreement, or (ii) a material adverse alteration in the nature or status of the employee's responsibilities

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from those provided in the agreement or the transfer of a significant portion of such responsibilities to one or more other persons, or (iii) a material diminution in the employee's compensation. For the purposes of the employment agreements of Mr. Casella discussed above, "qualified good reason" means the occurrence of one of the events under clause (b)(i), (ii) or (iii) of the preceding definition of good reason.

The severance benefits described above were extended to Mr. Casella as an inducement to his decision to continue to remain employed by us and, in the case of Messrs. Larkin and Johnson, as an inducement to accept employment with us. At the time each of such agreements was entered into, the Board considered a number of factors, including severance arrangements offered by comparable companies, the importance of the respective employee to our ongoing success and the benefits of receiving a non-competition and non-solicitation covenant from the respective employee in exchange for the agreed severance. The Compensation Committee considers the severance benefits to be separate from the compensation payable to employees for their ongoing services and accordingly does not consider the value of the severance package when setting current compensation.

**Summary of Potential Payments Upon Termination or Change of Control as of April 30, 2011**

The following table quantifies the amounts that would be payable to our named executive officers other than Mr. Bohlig upon termination of their employment under the circumstances described above under "Employment Agreements." We calculated the amounts shown based upon each such named executive officer's employment agreement described above and upon the hypothetical assumption that we terminated each named executive officer effective April 30, 2011.

|                  | Cash<br>Payments (1) | Value of<br>Benefits (2) | Termination without Cause<br>Value of Options<br>with Accelerated<br>Vesting | Value of Stock<br>with Accelerated<br>Vesting |
|------------------|----------------------|--------------------------|--|---|
| John W. Casella  | \$ 1,625,999         | \$ 79,448                |  | \$ 966,067                                    |
| Edwin D. Johnson | \$ 1,110,000         | \$ 38,065                | \$ 737,500   |   |
| Paul J. Massaro  |                      |                          |  |   |
| Paul A. Larkin   | \$ 476,000           | \$ 19,004                |  | \$ 926,422                                    |

|                     | Immediately upon a<br>Change of Control<br>Value of<br>Options<br>with<br>Accelerated<br>Vesting (3) | Value of<br>Stock with<br>Accelerated<br>Vesting | Cash<br>Payments (1) | Value of<br>Benefits (2) | Termination for Good Reason<br>Value of<br>Options<br>with<br>Accelerated<br>Vesting (3) | Tax<br>Reimbursement | Value of<br>Stock with<br>Accelerated<br>Vesting |
|---------------------|--|--|----------------------|--------------------------|--|----------------------|--|
| John W.<br>Casella  |  | \$ 966,067                                       | \$ 1,625,999         | \$ 79,448                |  | \$ 1,168,146         | \$ 966,067                                       |
| Edwin D.<br>Johnson | \$ 737,500   |  | \$ 1,110,000         | \$ 38,065                | \$ 737,500   | \$ 782,533           |  |
| Paul J.<br>Massaro  |  |  |                      |                          |  |                      |  |
| Paul A. Larkin      |  | \$ 926,422                                       | \$ 476,000           | \$ 19,004                |  |                      | \$ 926,422                                       |

(1) The amounts in this column reflect a lump sum payment, as described above, equal to a multiple of annual base salary in effect on April 30, 2011, and a bonus or other amount equal to a percentage of the base salary for each named executive officer in accordance with the terms of his respective employment agreement.

(2) The amounts in this column reflect payments for monthly COBRA premiums for continued health and dental coverage as well as payments for life insurance and disability insurance premiums as of April 30, 2011. For Mr. Casella, payment of these benefits will continue for a period of three years, for Mr. Larkin, a period of one year and for Mr. Johnson, a period of two years from the date of termination.

(3)

The amounts in this column are calculated based on the difference between \$6.76, the closing market price per share of our common stock on April 30, 2011, and the exercise price per share for the options subject to accelerated vesting.

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**CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

We have adopted a written policy and have established procedures regarding approval of transactions between us and any employee, officer, director and other related persons, including those required to be reported under Item 404 of Regulation S-K. The policy requires that all related party transactions are reviewed by the Audit Committee and approved by our Board.

With respect to bidding projects in excess of \$500,000 in which a related party, including Casella Construction, Inc. is a bidder, the Audit Committee has established a specific procedure. This procedure requires us to solicit a minimum of three qualified bids. The bid package is required to be sufficiently detailed to allow for direct comparisons of costs between responsive bidders. Bids for work on which Casella Construction, Inc. or any other related party is bidding are required to be directed to a third party engineer for opening, compilation and tabulation. The bids are then evaluated by the project team based on price, performance references, qualifications, experience, alternate bid items, proposed schedule, subcontractors qualifications/references, technical compliance and other bid information that is in the best interest of the project. In the event that a construction contract is successfully bid by a related party, bids and recommendations are required to be submitted to our Chief Financial Officer and our President or Chief Executive Officer for submission to the Audit Committee for review and to our Board for approval. With respect to sole source bids (i.e. those less than \$500,000), the Audit Committee is required to be provided with documentation describing the reason for the work, a comparison of market or historical prices to the bid price, and senior management approval. Change orders relating to contracts with related parties are required to be forwarded to our Chief Financial Officer for submission to the Audit Committee for review and to our Board for approval before the change order is approved.

With respect to related party transactions involving aggregate consideration in excess of \$10.0 million or in excess of \$2.0 million if such transaction is not approved by a majority of disinterested directors, we are required by the terms of our debt instruments to obtain an opinion as to the fairness of such transactions from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

Our related party policy also provides that transactions involving compensation of executive officers shall be reviewed and approved by the Compensation Committee in the manner specified in its charter.

We engage Casella Construction, Inc., a company owned by John W. Casella, our Chief Executive Officer and the Chairman of our Board, and Douglas R. Casella, the Vice Chairman of our Board, to provide construction services for us, including construction, closure and capping activities at our landfills. Total purchased services from Casella Construction, Inc. charged to operations or capitalized to landfills for fiscal 2011, 2010 and 2009 were \$6,053,320, \$9,296,728 and \$7,626,143, respectively, of which \$208,692, \$467,275 and \$562,829 were outstanding and included in either accounts payable or other current liabilities at April 30, 2011, 2010 and 2009, respectively. In addition, we have approved ongoing contracts with Casella Construction, Inc., which we expect will result in payments by us to Casella Construction, Inc.

We are also party to two real estate leases with Casella Associates, LLP, a Vermont limited liability company owned by Messrs. John Casella and Douglas Casella, relating to facilities we occupy. The leases, relating to Casella Waste Systems, Inc.'s corporate headquarters in Rutland, Vermont and our Montpelier, Vermont facility, were renewed in March 2008 and provide for aggregate monthly payments of \$24,996 and expire in April 2013. These leases have been classified by us as capital leases for financial reporting purposes.

From 1977 to 1992, we operated an unlined landfill located in Whitehall, New York owned by Bola, Inc., a corporation owned by Messrs. John Casella and Douglas Casella, which operated as a single-purpose real estate holding company. We paid the cost of closing this landfill in 1992, and have agreed to pay all post-closure obligations. In fiscal 2011, 2010 and 2009, we paid an aggregate of \$7,986, \$9,040 and

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\$9,785, respectively, pursuant to this arrangement. As of April 30, 2011, we had accrued \$94,232 for costs related to those post-closure obligations.

On March 2, 2000, we made a loan to Mr. Bohlig. The purpose of the loan was to assist Mr. Bohlig in meeting his repayment obligations under certain margin loans secured by his shares of our Class A common stock. The terms of the loan provided for the payment upon demand. The loan had no fixed repayment terms. Interest on the loan accrued monthly at the prime rate and was adjusted on a monthly basis. This loan to Mr. Bohlig was in the aggregate principal amount of \$400,000. On November 28, 2000, we made an additional loan to Mr. Bohlig. The terms of this loan are identical to the terms of the March 2000 loan. This latter loan to Mr. Bohlig was in the aggregate principal amount of \$616,000. As of July 31, 2011, an aggregate of \$576,298 in principal and interest was outstanding under these loans.

As described above, in connection with the divestiture of certain assets, on March 1, 2011, Mr. Bohlig resigned from the company. Following the termination of his employment, Mr. Bohlig agreed to surrender to us stock options that vested in connection with his resignation and the discretionary bonus that was awarded to him in June 2011, as described above, as payment against his outstanding loans with us. Such amounts, net of income taxes withheld, totaling \$582,858, were applied against the loans in the fiscal quarter ended July 31, 2011.

We have entered into employment agreements with each of our executive officers. See "Employment Agreements." For his service as President of Casella Waste Management, Inc., our wholly-owned subsidiary, Mr. Douglas Casella is paid an annual salary of \$206,000.

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**Report of the Audit Committee of the Board of Directors**

The Audit Committee of our Board is composed of three members and acts under a written charter originally approved by our Board on September 24, 2003. On June 13, 2011 the Audit Committee reviewed, and on June 14, 2011 our Board amended and restated, the Audit Committee's Charter, a copy of which is attached as *Appendix A* to this proxy statement. All of the members of the Audit Committee are independent as defined by the rules of the NASDAQ Stock Market that apply to us and otherwise satisfy NASDAQ's eligibility requirements for Audit Committee membership. The Audit Committee met ten times during fiscal 2011.

The Audit Committee has reviewed our audited financial statements for fiscal 2011 and has discussed these financial statements with management and our independent auditors.

The Audit Committee has also received from, and discussed with, our independent auditors various communications that our independent auditors are required to provide to the Audit Committee, including the matters required to be discussed by the Public Company Accounting Oversight Board, or PCAOB, AU Section 380 (*Communication with Audit Committees*), as modified or supplemented.

PCAOB AU Section 380 requires our independent auditors to discuss with the Audit Committee, among other things, the following:

methods to account for significant unusual transactions;

the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;

the process used by management in formulating particularly sensitive accounting estimates and the basis for the auditors' conclusions regarding the reasonableness of those estimates; and

disagreements, if any, with management over the application of accounting principles, the basis for management's accounting estimates and the disclosures in the financial statements.

Our independent auditors also provided the Audit Committee with the written disclosures and the letter required by PCAOB Rule 3526 (*Communicating with Audit Committees Concerning Independence*), as modified or supplemented. The Audit Committee has discussed with the independent auditors their independence from us.

Based on its discussions with management and the independent auditors, and its review of the representations and information provided by management and the independent auditors, the Audit Committee recommended to our Board that the audited financial statements be included in our Annual Report on Form 10-K for the year ended April 30, 2011.

*By the Audit Committee  
of the Board of  
Directors of Casella  
Waste Systems, Inc.  
James F. Callahan, Jr.,  
Chair  
Michael K. Burke  
Gregory B. Peters*

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On July 21, 2010, we were notified that effective July 20, 2010, McGladrey & Pullen, LLP had acquired certain assets of Caturano and Company, Inc. (formerly Caturano and Company, P.C.), our independent registered public accounting firm, and substantially all of the officers and employees of Caturano and Company, Inc. joined McGladrey & Pullen, LLP. On July 21, 2010, our Audit Committee appointed McGladrey & Pullen, LLP as our independent registered public accounting firm. During the two fiscal years ended April 30, 2011, Caturano and Company, Inc. served as our independent registered public accounting firm from May 1, 2009 until July 21, 2010, and McGladrey & Pullen, LLP served as our independent registered public accounting firm from July 22, 2010 until April 30, 2011.

The following table summarizes the fees we paid to Caturano and Company, Inc. and McGladrey & Pullen, LLP for fiscal 2010 and fiscal 2011 for audit services and other services:

|                            | Fiscal Year | Audit Fees (1) | Audit Related Fees (2) | Tax Fees | Total Fees   |
|----------------------------|-------------|----------------|------------------------|----------|--------------|
| McGladrey & Pullen, LLP    | 2011        | \$ 1,176,805   | \$ 19,571              |          | \$ 1,196,376 |
| Caturano and Company, Inc. | 2010        | \$ 1,090,155   | \$ 18,608              | \$ 9,500 | \$ 1,118,263 |

- (1) Audit fees consist of professional fees for the audit of our financial statements, the audit of our internal control over financial reporting, the review of the interim financial statements included in our quarterly reports on Form 10-Q, and other professional services provided in connection with statutory and regulatory filings or engagements. This amount includes reimbursement of out of pocket costs in fiscal year 2011 and 2010 of \$73,263 and \$60,541, respectively.
- (2) Audit related fees consist of fees for the audit of our 401(k) benefit plan. This amount includes reimbursement of out of pocket costs in fiscal year 2011 and 2010 of \$2,576 and \$2,128, respectively.
- (3) Tax fees consist of professional fees for tax return preparation and consulting.

**Pre-Approval Policies and Procedures**

Our Audit Committee has adopted policies and procedures relating to the approval of all audit and non-audit services that are to be performed by our independent registered public accounting firm. This policy generally provides that we will not engage our independent registered public accounting firm to render audit or non-audit services unless the service is specifically approved in advance by the Audit Committee.

The Audit Committee pre-approved 100% of the audit and non-audit services performed by our independent registered public accounting firm in fiscal 2011. No services were approved pursuant to the de minimis exception to the Audit Committee pre-approval requirements.

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**PROPOSAL 2 ADVISORY VOTE ON EXECUTIVE COMPENSATION**

We are providing our stockholders the opportunity to vote to approve, on an advisory, non-binding basis, the compensation of our named executive officers as disclosed in this proxy statement in accordance with the SEC's rules. This proposal, which is commonly referred to as "say-on-pay," is required by the recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, which added Section 14A to the Exchange Act. Section 14A of the Exchange Act also requires that stockholders have the opportunity to cast an advisory vote with respect to whether future executive compensation advisory votes will be held every one, two or three years, which is the subject of Proposal 3.

We encourage stockholders to read closely the "Executive Compensation" section of this proxy statement beginning with the "Compensation Discussion and Analysis" on page 19, which describes in detail our executive compensation programs and the decisions made by our Compensation Committee and our Board with respect to fiscal 2011.

As we describe in the "Compensation Discussion and Analysis," we maintain an executive compensation program that consists almost entirely of base salary, an annual cash incentive bonus and annual equity awards. These elements of compensation have been selected by our Compensation Committee because the committee believes that they effectively achieve the fundamental goals of our compensation program, which are to attract, motivate and retain qualified and talented executives, who are critical to our success, motivating them to achieve our business goals and rewarding them for superior short- and long-term performance. The goal of our Compensation Committee is to ensure that our compensation programs are aligned with the interests of our stockholders and our business goals in order to attain our ultimate objective of increasing stockholder value. We believe that, consistent with these goals, the total compensation paid to each of our named executive officers is fair, reasonable and competitive. Further, we believe our programs do not encourage excessive risk-taking by management. Annual compensation decisions for executive officers are made by our compensation committee based on the achievement of specified performance goals as described under "Compensation Discussion and Analysis."

As an advisory vote, this proposal is not binding. However, our Compensation Committee and Board value the opinions expressed by our stockholders in their vote on this proposal and will consider the outcome of the vote when making future compensation decisions for named executive officers.

Unless otherwise indicated on your proxy, your shares will be voted "FOR" the approval of the compensation of our named executive officers. If your shares are held by your broker in "street name" and you do not vote your shares, your broker cannot vote your shares on Proposal 2.

**Board Recommendation:**

**Our Board recommends that you vote to approve the compensation of our named executive officers by voting "FOR" Proposal 2.**



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**PROPOSAL 3 ADVISORY VOTE ON THE FREQUENCY OF FUTURE  
EXECUTIVE COMPENSATION ADVISORY VOTES**

In Proposal 2, we are providing our stockholders the opportunity to vote to approve, on an advisory, non-binding basis, the compensation of our named executive officers. In this Proposal 3, we are asking our stockholders to cast a non-binding advisory vote regarding the frequency of future executive compensation advisory votes. Stockholders may vote for a frequency of every one, two or three years, or may abstain.

After careful consideration, our Board believes that an executive compensation advisory vote should be held every year. Our Board believes that an annual executive compensation advisory vote will facilitate more direct stockholder input about executive compensation. An annual executive compensation advisory vote is consistent with our policy of reviewing our compensation program annually, as well as seeking frequent input from our stockholders on corporate governance and executive compensation matters. We believe an annual vote would be the best governance practice for our company at this time.

The frequency option (one year, two years or three years) that receives the highest number of votes cast will be considered to be the preferred frequency of the stockholders with which we are to hold future non-binding stockholder advisory votes on executive compensation.

Our Board will take into consideration the outcome of this vote in making a determination about the frequency of future executive compensation advisory votes. However, because this vote is advisory and non-binding, our Board may decide that it is in the best interests of our stockholders and the company to hold the advisory vote to approve executive compensation more or less frequently.

**Board Recommendation:**

**Our Board believes that holding the Executive Compensation Advisory Vote every year is in the best interests of the company and its stockholders and recommends voting for a frequency of every "One Year."**

Stockholders are not voting to approve or disapprove the recommendation of our Board. Stockholders may choose among the four choices available.

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**PROPOSAL 4 RATIFICATION OF THE  
SELECTION OF REGISTERED PUBLIC ACCOUNTING FIRM**

Our Audit Committee appointed McGladrey & Pullen, LLP, an independent registered public accounting firm, to audit our books, records and accounts for fiscal 2012. This appointment is being presented to the stockholders for ratification at the Annual Meeting.

Proxies solicited by management will be voted for the ratification unless stockholders specify otherwise. Although we are not required to submit the appointment to a vote of the stockholders, our Board believes it is appropriate as a matter of policy to request that the stockholders ratify the appointment of McGladrey & Pullen, LLP as our independent registered public accounting firm. If the stockholders do not ratify the appointment, our Audit Committee will investigate the reasons for stockholder rejection and consider whether to retain McGladrey & Pullen, LLP or appoint another independent registered public accounting firm. Even if the appointment is ratified, our Board and our Audit Committee in their discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if they determine that such a change would be in the best interests of our company and our stockholders.

A representative of McGladrey & Pullen, LLP is expected to be present at the Annual Meeting to respond to appropriate questions and to make a statement if he or she so desires.

**Board Recommendation:**

**Our Board believes that the selection of McGladrey & Pullen, LLP as our independent registered public accounting firm is in the best interests of the company and of our stockholders and recommends a vote "FOR" this proposal.**

**STOCKHOLDER PROPOSALS FOR THE 2012 ANNUAL MEETING**

Any proposal that a stockholder intends to present at the 2012 Annual Meeting of stockholders must be submitted to the attention of the Corporate Secretary at our offices, 25 Greens Hill Lane, Rutland, Vermont 05701 no later than April 28, 2012 and must otherwise meet the requirements for any such proposal as set forth in our by-laws in order to be considered for inclusion in the proxy statement relating to that Annual Meeting.

If a stockholder wishes to present a proposal before the Annual Meeting in 2012 but has not complied with the requirements for inclusion of the proposal in our proxy materials pursuant to Rule 14a-8 under the Exchange Act, the stockholder must give notice of the proposal to our Corporate Secretary at our principal offices and must otherwise meet the requirements for any such proposal as set forth in our by-laws. The required notice must be made in writing and delivered or mailed by first class United States mail, postage prepaid, to our Corporate Secretary at our principal offices, and received by July 13, 2012, but not before June 13, 2012, which is not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting. If a stockholder who wished to present a proposal before the Annual Meeting fails to notify us by the required date, the proxies that the Board solicits for the Annual Meeting will confer discretionary authority on the person named in the proxy to vote on the stockholder's proposal if it is properly brought before that meeting. If a stockholder makes timely notification, the proxies may still confer discretionary authority to the person named in the proxy under circumstances consistent with the SEC's proxy rules.

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**HOUSEHOLDING OF ANNUAL MEETING MATERIALS**

Some banks, brokers and other nominee record holders may be participating in the practice of "householding" proxy statements and annual reports. This means that only one copy of our proxy statement or annual report may have been sent to multiple stockholders in your household. We will promptly deliver a separate copy of either document to you if you call or write us at the following address or phone number: Ned Coletta, Director Investor Relations, Casella Waste Systems, Inc., 25 Greens Hill Lane, Rutland, Vermont 05701, (802) 775-0325. If you would like to receive separate copies of the annual report and proxy statement in the future or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker, or other nominee record holders, or you may contact us at the above address and phone number.

**Our Annual Report on Form 10-K is available at [www.casella.com](http://www.casella.com) under the section entitled "Investors Financial Information." Stockholders may request a copy of our Annual Report free of charge by contacting:**

**Director Investor Relations  
Casella Waste Systems, Inc.  
25 Greens Hill Lane  
Rutland, VT 05701  
Phone: 802-775-0325  
E-mail: [ned.coletta@casella.com](mailto:ned.coletta@casella.com)**

**Copies of the exhibits listed on the exhibit index to the Annual Report may be obtained upon payment of our reasonable expense in furnishing a requested exhibit.**

**OTHER MATTERS**

The Board knows of no other business which will be presented for consideration at the Annual Meeting other than that described above. However, if any other business should come before the Annual Meeting, it is the intention of the persons named in the enclosed proxy to vote, or otherwise act, in accordance with their best judgment on such matters.

We will bear the costs of soliciting proxies. In addition to solicitations by mail, our directors, officers and regular employees may, without additional remuneration, solicit proxies by telephone, telegraph, facsimile and personal interviews. We will also request brokerage houses, custodians, nominees and fiduciaries to forward copies of the proxy material to those persons for whom they hold shares and request instructions for voting the proxies. We will reimburse such brokerage houses and other persons for their reasonable expenses in connection with this distribution.

*We encourage you to attend the Annual Meeting in person. However, in order to make sure that you are represented at the Annual Meeting, we also urge you to complete, sign and return the enclosed proxy card as promptly as possible in the enclosed postage prepaid envelope. Stockholders who attend the meeting may vote their stock personally even if they have already voted by proxy.*

By order of the Board of Directors,

August 26, 2011  
Rutland, Vermont

John W. Casella  
*Chairman and Chief Executive Officer*

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**CASELLA WASTE SYSTEMS, INC.  
AMENDED AND RESTATED  
AUDIT COMMITTEE CHARTER**

**A. Purpose**

The purpose of the Audit Committee is to assist the Board of Directors' oversight of:

- the integrity of the Company's financial statements;
- the Company's compliance with legal and regulatory requirements;
- the independent auditor's qualifications and independence;
- the performance of the Company's internal audit function and independent auditors; and
- the risk management policies of the Company.

**B. Structure and Membership**

1. *Number.* Except as otherwise permitted by the applicable NASDAQ rules, the Audit Committee shall consist of at least three members of the Board of Directors.
2. *Independence.* Except as otherwise permitted by the applicable NASDAQ rules, each member of the Audit Committee shall be an "independent director" as defined by NASDAQ Rule 5605(a)(2), meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (subject to the exemptions provided in Rule 10A-3(c)), and not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years.
3. *Financial Literacy.* Each member of the Audit Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement, at the time of his or her appointment to the Audit Committee. In addition, at least one member must have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. Unless otherwise determined by the Board of Directors (in which case disclosure of such determination shall be made in the Company's annual report filed with the SEC), at least one member of the Audit Committee shall be an "audit committee financial expert" (as defined by applicable SEC rules).
4. *Chair.* Unless the Board of Directors elects a Chair of the Audit Committee, the Audit Committee shall elect a Chair by majority vote.
- 5.

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*Compensation.* The compensation of Audit Committee members shall be as determined by the Board of Directors. No member of the Audit Committee may receive, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries other than fees paid in his or her capacity as a member of the Board of Directors or a committee of the Board.

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6. *Selection and Removal.* Members of the Audit Committee shall be appointed by the Board of Directors, upon the recommendation of the Nominations Committee. The Board of Directors may remove members of the Audit Committee from such committee, with or without cause.

**C. Authority and Responsibilities**

*General*

The Audit Committee shall discharge its responsibilities, and shall assess the information provided by the Company's management and the independent auditor, in accordance with its business judgment. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Company and for establishing and maintaining adequate internal control over financial reporting. The independent auditor is responsible for auditing the Company's financial statements and the Company's internal control over financial reporting and for reviewing the Company's unaudited interim financial statements. The authority and responsibilities set forth in this Charter do not reflect or create any duty or obligation of the Audit Committee to plan or conduct any audit, to determine or certify that the Company's financial statements are complete, accurate, fairly presented, or in accordance with generally accepted accounting principles or applicable law, or to guarantee the independent auditor's reports.

*Oversight of Independent Auditors*

1. *Selection.* The Audit Committee shall be solely and directly responsible for appointing, evaluating, retaining and, when necessary, terminating the engagement of the independent auditor. The Audit Committee may, in its discretion, seek stockholder ratification of the independent auditor it appoints.
2. *Independence.* The Audit Committee shall take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the independent auditor. In connection with this responsibility, the Audit Committee shall obtain and review the written disclosures and the letter from the independent auditor required by applicable requirements of the Public Company Accounting Oversight Board (the "PCAOB") regarding the independent auditor's communications with the Audit Committee concerning independence. The Audit Committee shall actively engage in dialogue with the independent auditor concerning any disclosed relationships or services that might impact the objectivity and independence of the auditor.
3. *Compensation.* The Audit Committee shall have sole and direct responsibility for setting the compensation of the independent auditor. The Audit Committee is empowered, without further action by the Board of Directors, to cause the Company to pay the compensation of the independent auditor established by the Audit Committee.
4. *Preapproval of Services.* The Audit Committee shall preapprove all services (audit and non-audit) to be provided to the Company by the independent auditor and any other external accounting firms; provided, however, that de minimis non-audit services may instead be approved in accordance with applicable SEC rules.
5. *Oversight.* The independent auditor shall report directly to the Audit Committee, and the Audit Committee shall have sole and direct responsibility for overseeing the independent auditor, including resolution of disagreements between Company management and the independent auditor regarding financial reporting. In connection with its oversight role, the Audit Committee shall, from time to time as appropriate, receive and consider the reports required to be made by the independent auditor regarding:

critical accounting policies and practices;

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alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with Company management, including ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and

other material written communications between the independent auditor and Company management.

***Review of Audited Financial Statements***

6. ***Discussion of Audited Financial Statements.*** The Audit Committee shall review and discuss with the Company's management and independent auditor the Company's audited financial statements, including the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol 1, AU section 380), as adopted by the PCAOB.
7. ***Recommendation to Board Regarding Financial Statements.*** The Audit Committee shall consider whether it will recommend to the Board of Directors that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K.
8. ***Audit Committee Report.*** The Audit Committee shall prepare an annual committee report for inclusion where necessary in the proxy statement of the Company relating to its annual meeting of security holders.

***Review of Other Financial Disclosures***

9. ***Independent Auditor Review of Interim Financial Statements.*** The Audit Committee shall direct the independent auditor to use its best efforts to perform all reviews of interim financial information prior to disclosure by the Company of such information and to discuss promptly with the Audit Committee and the Chief Financial Officer any matters identified in connection with the auditor's review of interim financial information which are required to be discussed by applicable auditing standards. The Audit Committee shall direct management to advise the Audit Committee in the event that the Company proposes to disclose interim financial information prior to completion of the independent auditor's review of interim financial information.
10. ***Quarterly Financial Statements.*** The Audit Committee shall discuss with the Company's management and independent auditor the Company's quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations", prior to public disclosure of such information.

***Controls and Procedures***

11. ***Oversight.*** The Audit Committee shall coordinate the Board of Directors' oversight of the Company's internal control over financial reporting, the Company's disclosure controls and procedures and the Company's code of conduct. The Audit Committee shall receive and review the reports of the CEO and CFO required by Rule 13a-14 under the Exchange Act.
12. ***Internal Audit Function.*** The Audit Committee shall coordinate the Board of Directors' oversight of the performance of the Company's internal audit function. The internal auditor shall report to the Audit Committee.
13. ***Risk Management.*** The Audit Committee shall discuss the Company's policies with respect to risk assessment and risk management, including guidelines and policies to govern the process by which the Company's exposure to risk is handled.





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14. *Procedures for Complaints.* The Audit Committee shall establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
15. *Related-Party Transactions.* The Audit Committee shall review the Company's policies and procedures for reviewing and approving or ratifying "related person transactions" (defined as transactions required to be disclosed pursuant to Item 404 of Regulation S-K), and recommend any changes to the Board. In accordance with the Company's policies and procedures and NASDAQ rules, the Audit Committee shall conduct appropriate review and oversight of all related person transactions for potential conflict of interest situations on an ongoing basis.
16. *Additional Powers.* The Audit Committee shall have such other duties as may be delegated from time to time by the Board of Directors.

**D. Procedures and Administration**

1. *Meetings.* The Audit Committee shall meet as often as it deems necessary in order to perform its responsibilities. The Audit Committee may also act by unanimous written consent in lieu of a meeting. The Audit Committee shall periodically meet separately with: (i) the independent auditor; (ii) Company management and (iii) the Company's internal auditors. The Audit Committee shall keep such records of its meetings as it shall deem appropriate.
2. *Subcommittees.* The Audit Committee may form and delegate authority to one or more subcommittees (including a subcommittee consisting of a single member), as it deems appropriate from time to time under the circumstances. Any decision of a subcommittee to preapprove audit, review, attest or non-audit services shall be presented to the full Audit Committee at its next scheduled meeting.
3. *Reports to Board.* The Audit Committee shall report regularly to the Board of Directors.
4. *Charter.* At least annually, the Audit Committee shall review and reassess the adequacy of this Charter and recommend any proposed changes to the Board of Directors for approval.
5. *Independent Advisors.* The Audit Committee shall have the authority, without further action by the Board of Directors, to engage and determine funding for such independent legal, accounting and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Audit Committee is empowered, without further action by the Board of Directors, to cause the Company to pay the compensation of such advisors as established by the Audit Committee.
6. *Investigations.* The Audit Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Company to meet with the Audit Committee or any advisors engaged by the Audit Committee.
7. *Funding.* The Audit Committee is empowered, without further action by the Board, to cause the Company to pay the ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.
8. *Annual Self-Evaluation.* At least annually, the Audit Committee shall evaluate its own performance.











