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COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE

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February 25, 2025

TO: Each Supervisor

FROM: Mark Pestrella, PE
for Director of Public Works

BOARD MOTION OF JANUARY 7, 2025, AGENDA ITEM 11 ADDRESSING THE CLOSURE OF CHIQUITA CANYON LANDFILL

On January 7, 2025, the Board instructed Public Works to report back in 21 days with an analysis of the impacts of closure of active disposal operations of the Chiquita Canyon Landfill to solid waste management in Los Angeles County, financial impacts for local jurisdictions and ratepayers, and recommendations for addressing the potential for increases in illegal dumping that may occur as a result of the closure.

The Board also instructed Public Works to report back in 30 days with a proposal to implement necessary regulations to address potential price gouging and anti-competitive practices for solid waste disposal in Los Angeles County.

Attached is Public Works' combined 21- and 30-day report addressing closure of Chiquita Canyon Landfill.

If you have any questions, please contact me or your staff may contact Deputy Director Cid Tesoro at (626) 458-4016 or ctesoro@pw.lacounty.gov.

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Attach.

cc: Chief Executive Office
Consumer and Business Affairs
County Counsel
Executive Office, Board of Supervisors
Public Health
Regional Planning

REPORT ON THE CLOSURE OF CHIQUITA CANYON LANDFILL

On January 7, 2025, the Board instructed Public Works to coordinate with County Counsel, Public Health, Regional Planning, and the Local Enforcement Agency to report back in 21 days with an analysis of the impacts of closure of the Chiquita Canyon Landfill to solid waste management in Los Angeles County, including where diverted waste will be transported to, potential impacts at transfer stations, financial impacts for local jurisdictions and ratepayers, and recommendations for addressing the potential for increases in illegal dumping that may occur as a result of the closure.

The Board also instructed Public Works to coordinate with County Counsel and the Department of Consumer and Business Affairs (DCBA) to report back in 30 days with a proposal to implement necessary regulations to address potential price gouging and anti-competitive practices for solid waste disposal in Los Angeles County.

I. Impact on to solid waste management in Los Angeles County.

Based on the 2023 disposal tonnage data, the Chiquita Canyon Landfill accepted approximately 19 percent of the County's total trash that was disposed of. On December 31, 2024, the landfill announced that it is closing its active waste disposal operations effective January 1, 2025.

Although its current Conditional Use Permit (CUP) with the County allowed the landfill to accept up to 12,000 tons per day (tpd) of trash, for several months leading up to the closure, the landfill has operated on a reduced daily tonnage of 2,000 tpd to comply with a Notice of Violation issued by Regional Planning for having exceeded its annual permitted tonnage in 2023.

In anticipation for the potential closure of the Landfill, waste haulers had begun making arrangements for other disposal options. Accordingly, some of the waste haulers began utilizing other landfills and transfer stations that had adequate capacities to handle additional waste, including those located in Los Angeles, Ventura, and other surrounding Counties.

Based on the 2023 average disposal tonnage data and the permitted capacities at in-County landfills in 2023, the combined available daily disposal capacity for in-County landfills were approximately 7,400 tons, which is sufficient to handle Chiquita Canyon Landfill's recent disposal rate of 6,600 tpd.

Public Works has been preparing for this transition by working closely with waste haulers and landfill operators to ensure that trash and recycling services for unincorporated residents and the City of Santa Clarita remain uninterrupted.

In the long term, Public Works remains committed to its role in planning for the disposal capacity for the region, which includes identifying existing and proposed disposal sites for all of Los Angeles County's waste. Capacity planning could include both in-County and out-of-County disposal facilities that would ensure uninterrupted services while minimizing environmental and economic impacts.

II. Financial impacts for local jurisdictions and ratepayers.

Chiquita Canyon Landfill provided approximately \$3 million annually in revenue from tipping fees as well as some other minor fees related to their CUP. However, there is no financial impact as a result of the closure of the landfill since this revenue will continue to be collected for all waste generated in the County.

Nonetheless, higher disposal costs at surrounding regional landfills will mean higher operating costs for some waste haulers which may eventually translate into higher trash collection rates for County unincorporated residents.

Similarly, increased disposal costs will also lead to higher operational expenses for public agencies or business operations that utilize local disposal facilities. Additional costs are expected to be in the range of hundreds of thousands of dollars annually.

While it's too soon to estimate any cost impacts, some increases in trash collection services are foreseeable. For trash companies that haul their material directly to Chiquita, there will likely be cost increases, which could be passed on to their customers. However, for companies that did not utilize Chiquita, the impact should be minimal to no impact.

Public Works provides solid waste collection services to all unincorporated areas of the County, including the Santa Clarita Valley. Collected trash is transported to various landfills based on the location and designated hauler. The hauler serving the Santa Clarita Valley was one of the few haulers directly transporting waste to the Chiquita Canyon Landfill prior to its closure.

Following the landfill's closure, the hauler now delivers waste to a Waste Management recovery facility. This shift has led to higher transportation costs and disposal fees, resulting in anticipated rate increases of up to 20% for residents in the Santa Clarita Valley. In the long term, as existing contracts expire and are renewed, we expect continued cost increases due to reduced landfill capacity in the region.

III. Immediate steps to address the potential increase in illegal dumping.

With the closure of Chiquita Canyon Landfill, residents and businesses in the Santa Clarita Valley have one fewer option for disposal facilities to which materials could be self-hauled. This could potentially result in an increase in illegal dumping particularly in the short-term as haulers find other permitted disposal facility options which could increase cleanup costs. To proactively address this issue, the frequency of inspections has been increased in the area to monitor for illegal dumping in the public right of way and ensure timely removal.

There are also concerns regarding the possible increase of unpermitted and illegal disposal facilities operating on private properties similar to what has been occurring in the Antelope Valley. Recognizing this potential, the Sheriff's Department has been requested to increase patrols and install cameras along major roads to help deter illegal dumping and unpermitted disposal facilities.

IV. Proposal to implement necessary regulations to address potential price gouging and anti-competitive practices.

The Los Angeles County Code Chapter 8.09.040 prohibits price gouging of goods and services in the County following the proclamation or declaration of an emergency. With proclamations of a State of Emergency issued by Governor Gavin Newsom on January 7, 2025, through Executive Orders N-2-25 and N-4-25, which were later ratified by the Board of Supervisors on January 14, 2025, as well as the provisions of the Chiquita Canyon Landfill's CUP, County Counsel has determined that no additional regulations need to be implemented at this time to protect consumers from price gouging or anti-competitive practices.

Additionally, Paragraph 3 of Executive Order N-4-25 extends the price gouging provisions of Penal Code Section 396 until January 7, 2026, for all of Los Angeles County. County Counsel has determined that extensions of this Order are subject to the requirement set forth in Penal Code Section 396 (g), which requires that the Board make a new finding every 30 days that an extension is necessary to protect the lives, property, or welfare of the citizens of Los Angeles County.

With the current Orders and regulations in effect, County Counsel believes that no additional regulations are warranted at this time. DCBA will take pro-active steps to inform consumers and service providers in the Santa Clarita Valley of the pricing limitations under the County ordinance, incorporating this specific industry and affected populations into its overall efforts in combating price gouging under the current emergency for as long as it remains in effect.