

April 20, 1970

# EL CENTRO TAXPAYERS

This Newsletter is intended for the residents of El Centro mainly for they are the biggest sufferers from the electricity swindle of \$14 millions yearly imposed on the 110,000 inhabitants living in the area extending from Calexico to Indio, Calif. by the IMPERIAL IRRIGATION DISTRICT AND WITH THE CONNIVANCE OF THE COACHELLA VALLEY COUNTY WATER DISTRICT.

The method of this swindle is very simple. The IID does not pay real or personal property taxes, does not pay Federal and State Income taxes, and these tremendous savings are not passed on to the people in electricity bills that should be 1/3 of what they are, but are given to big absentee farm corporations who pay only 1/4 of the correct price for the irrigation water used in farming.

THESE BIG CORPORATIONS ARE: THE IRVINE CO., THE PUREX CORP. (SUBSIDIARY-FRESHPICT FOODS, INC.), UNITED FRUIT CO. (SUBSIDIARY-INTERHARVEST INC.), DOW CHEMICAL CO. ( OWNING THE LAND WHILE BUD ANTLE INC. FARMS IT IN A SHARING ARRANGEMENT), CBK FARMS A SUBSIDIARY OF CBK INC. AND SOUTHERN PACIFIC LAND CO. A SUBSIDIARY OF THE S.P.R.R. WHICH DOES MUCH FARMING BY SHARING ARRANGEMENTS.

The activities of these big corporations are in the area of the IMPERIAL IRRIGATION DISTRICT but another big corporation TENNECO, INC. is operating through its subsidiary HEGGEBLADE & MARGULEAS in the COACHELLA VALLEY COUNTY WATER DISTRICT. All these corporations are worth 1/2 to 1 1/2 billion dollars with the exception of CBK. But there are many other absentee farm corporations worth 5 to 25 millions of dollars like the Bruce Church Co., the Arena Co., D'Arrigo Bros., Admiral Packing Co. etc. who are benefitting from this swindle.

When I first began to investigate this electricity swindle, I found out that the City of Los Angeles was paying yearly about \$3 millions in property taxes to the Counties of Mono and Inyo where Los Angeles owned land along the Owens River in these counties plus dams on this river and an aqueduct which brought the water to the City of Los Angeles. Not only did Los Angeles pay real property taxes on the land, dams and aqueduct located in these counties BUT ALSO PAID PERSONAL PROPERTY TAXES ON THE WATER STORED BEHIND THE DAMS JUST AS A MERCHANT PAYS PERSONAL PROPERTY TAXES ON THE MERCHANDISE IN HIS STORE.

I therefore felt that towns like Brawley, El Centro, Calexico, Indio, etc. should collect real and personal property taxes on the canals, dams, land, electricity generating plants and electricity distribution system of the IID. If the IID was forced to do this, paying taxes to the cities, counties, school districts, etc., the taxes the PEOPLE HAVE TO PAY TO MAKE UP FOR THE TAXES NOT PAID BY THE IID, WOULD BE REDUCED DRASTICALLY. By the IID paying property taxes, it would amount to the same thing as A REDUCTION IN ELECTRICITY RATES.

To express it another way--the IID is a liar when it says that it charges the same electricity rates like Southern Calif. Edison Co. which pays real and personal property taxes, and Federal and State Income taxes. When you have to pay the taxes to make up for the IID, you are paying a "hidden electricity bill" in the form of extra taxes that the IID does not pay. The average family has extorted from it \$50.00 to \$250.00 yearly depending on the type of airconditioning, by this electricity swindle. I am now going to show the people of El Centro how much can be collected in taxes by the City of El Centro from the IMPERIAL IRRIGATION DISTRICT and in this way lighten greatly the tax-load of the people.

Before I do this however, I wish to point out to you that Raul Loya of Indio and I have filed a lawsuit in the Federal Court in Washington, D.C. to force Secretary of Interior Hickel to set the electricity rates of the IID BECAUSE THE IID RECEIVES MUCH ELECTRICITY FROM THE FEDERAL GOVERNMENT WHICH IS ANOTHER REASON WHY YOUR ELECTRICITY BILLS SHOULD BE 1/3 OF WHAT THEY ARE.

RAUL LOYA IS RUNNING FOR ASSEMBLYMAN IN THE JUNE 2, 1970 PRIMARY AND HE IS THE ONLY POLITICAL CANDIDATE TALKING ON THE ELECTRICITY SWINDLE. I STRONGLY URGE YOU TO VOTE FOR HIM. YOUR VOTE FOR HIM MEANS THAT YOU WANT THE ELECTRICITY RATES TO BE REDUCED!!!

The Indio DAILY NEWS has become very active in discussing the IID high swindling electricity rates. Here is an editorial from the Indio DAILY NEWS OF APRIL 6, 1970 that will make my explanation how El Centro can tax the IID more understandable.

#### PAR FOR UTILITIES

An official of the Imperial Irrigation District recently said power rates for residential customers in this area are comparable to rates charged by other power suppliers in Southern California. He also said IID power outages are not as severe as in many parts of the country

These comparisons may not help take the heat off IID when mid-summer power fluctuations in the Coachella Valley again blow out home air conditioning units, but the report as given by IID General Manager Robert F. Carter was interesting, nevertheless.

Pertinent to any such measuring of IID against other utilities, however, is a factor which was not touched on. That is how much do IID's power customers lose out because this government-owned utility pays no taxes?

Indio gets nothing in taxes directly from IID. Palm Springs last year was paid \$221,199 in taxes by Southern California Edison. In this sum was \$84,380 which went to local schools. Even Indian Wells benefitted from Southern California's taxes--to the tune of \$26,899.

Total paid in taxes in Riverside County last year by Southern California Edison was over \$2.5 millions.

Since IID does not directly help support schools and municipal services and taxpaying utilities do, IID customers should get their power at substantially lower rates than private companies charge.

Or, government-owned utilities such as IID should be made to pay taxes similar to those paid by private firms.

The rest of the editorial, I am not going to print because of lack of space and because in a future Newsletter to be entitled "SCHOOL BOARDS TAKE ACTION", the entire editorial will be printed. I have reprinted enough of the editorial so that you taxpayers of El Centro ( and other cities also) will better understand what is written further.

Indian Wells which has a population of 870 collected \$26,899 just on the taxes collected on the electricity system Southern Calif. Edison has in Indian Wells (poles, wires, transformers). All you other towns if you have only an electricity distribution system from the IID, can roughly figure how much you can collect from the IID by the number of times your population is bigger than Indian Wells.

But in the Northeast section of the City of El Centro is the big steam electricity generating plants of the IID worth \$20 millions (after depreciation). For taxing purposes, 23% will be taxed or about \$5 millions. The El Centro city tax rate is 3.3%. Therefore, the tax collected by El Centro would be \$165,000.00 yearly. It must be pointed out however that in actual practice the STATE BOARD OF EQUALIZATION usually takes about 50% of the value of investor owned utilities to figure the tax. So if \$10 millions is used as the tax base, El Centro would collect \$320,000.00 on the generating plants. There would be more taxes also gotten on the electricity distribution system and the big main IID office. THE EL CENTRO SCHOOLS WOULD ALSO GET BIG TAXES.