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EMAIL ONLY

Tony Marino  
Executive Officer  
CA Underground Facilities Safe Excavation Board  
1131 S Street  
Sacramento, CA 95811

CC: Ann Diamond  
President  
Underground Service Alert of Southern California  
1379 Pico St  
Corona, CA 92881

Mr. Marino:

Please see the following responses to the request for information that you sent on December 29, 2017:

1. *Please describe the methodology by which you apportion regional notification center operating costs to your members.*

All members pay a \$150 flat fee per year, which includes delivery of up to 200 billable tickets. Billable tickets are New, Extension, and Renewal tickets; Follow-up and Cancel tickets are free. Members that receive more than 200 tickets in a year also pay a percentage of the budget (less the sum of the flat fees) in proportion to the number of billable tickets they received, as a percentage of the total billable tickets received by all members. Included with this letter is an Excel spreadsheet showing sample calculations of how member bills are calculated. Please let me know if you have any questions about this.

NOTE: There are pros and cons to all billing methods. A per-ticket charge is simple to explain and calculate, but it makes budgeting imprecise for the members, since they don't know how many tickets they will receive. Also the 811 center is not insulated against the ups and downs of ticket volume unless money is budgeted for savings during busy years. Our percentage-based method is complex to explain and calculate, but it allows the members to know their bill and budget accordingly, while providing a stable income stream to the 811 center.

2. *Please provide the number of tickets, or notifications of proposed excavation, provided to you for excavation within the State of California for each year for which you have reliable information, and no less than five years, ending in 2016.*

Included with this letter is a spreadsheet showing ticket volume for 2012-2017. This is broken down to show tickets in California versus Nevada (NV is also part of our service area).

3. *Please provide the number of locate request transmissions you provided to your members for locate and mark services within the State of California for each year for which you have reliable information, and no less than five years, ending in 2016.*

Included with this letter is a spreadsheet showing transmissions sent to members in California for 2012-2017.

4. *Do you anticipate the number of tickets you receive or the number of locate request transmissions to increase or decrease in the foreseeable future? For what reasons, by how much, and over what timeframes?*

Forecasting future ticket volume is exceedingly complex. The strongest predictor is the health of the economy, and the construction industry in particular. A significant drop in ticket volume occurred in 2008 after the housing market collapse. I personally suspect a similar, although less severe, drop will occur within the next 1-4 years, but I could be wrong. Marketing and Education efforts that lead to increased awareness among excavators may also increase ticket volume. I anticipate 2018 being 5%-10% higher than 2017.

I anticipate our ratio of transmissions per ticket to decline over the next year or two. Our current method of billing is new and has prompted many members to review and tighten up the geographic area for which they receive tickets. We also anticipate beginning to use locally-acquired GIS map data within the next few months, which should allow us to more accurately find dig sites on the map, resulting in more precise notification to the members. I suspect these two factors may reduce our transmissions-per-ticket ratio by up to 10%.

5. *We have identified a number of your members as state agencies and as local agencies. To allow us to determine the fiscal impact to these agencies, please provide the total number of locate request transmissions you provided to state agency member and to local government members in 2016. Alternatively, you may provide the 2016 locate transmission totals for each of your members, and we will cull state and local agency transmission numbers from that information.* Included with this letter is a report of transmissions sent to our members in 2017. Please cull the report to identify state and local government agency members.

Please let me know if you need any additional information. We look forward to working with your office to reduce damages to underground facilities in California.

Respectfully,



James Wingate  
Executive Director  
USA North 811