

REGULAR MEETING OF THE IDAHO TRANSPORTATION BOARD

January 16, 2014

The Idaho Transportation Board met at 7:30 AM, on Thursday, January 16, 2014, at the Idaho Transportation Department in Boise, Idaho. The following principals were present:

Jerry Whitehead, Chairman
Jim Coleman, Vice Chairman – District 1
Janice B. Vassar, Member – District 2
Julie DeLorenzo, Member – District 3
Jim Kempton, Member – District 4
Lee Gagner, Member – District 6
Brian W. Ness, Director
Scott Stokes, Chief Deputy
Larry Allen, Lead Deputy Attorney General
Sue S. Higgins, Executive Assistant and Secretary to the Board

Executive Session on Personnel and Legal Issues. Member Vassar made a motion to meet in executive session at 7:30 AM to discuss personnel and legal issues as authorized in Idaho Code Section 67-2345(a), (c), and (f). Member DeLorenzo seconded the motion and it passed 5-0 by individual roll call vote.

Discussions were held on personnel and legal matters.

The Board came out of executive session at 10:45 AM.

New Business. Information Technology Administrator Shannon Barnes requested approval of two agreements with 3M Corporation. The License Agreement is for software to update components such as titles and registrations for the Division of Motor Vehicles' modernization project. The Service Agreement is for training and consulting related to the software.

Member Vassar made a motion, seconded by Vice Chairman Coleman, and passed unopposed to approve the following resolution:

RES. NO. WHEREAS, in December 2010 the Idaho Transportation Board selected 3M
ITB14-01 Corporation to modernize the Idaho Transportation Department Division of Motor Vehicles' (DMV) computer system; and

WHEREAS, the contract was signed and work commenced in May 2011; and

WHEREAS, after 18 months of support from 3M, ITD decided it could independently complete the project and implement the software provided by 3M; and

WHEREAS, the Division of Purchasing has reviewed a License Agreement for ITD to use the 3M software in its DMV modernization program and a Service Agreement under which 3M would install the software and train ITD in its use; and

WHEREAS, the Division of Purchasing has delegated to ITD the authority to enter into the License Agreement and the Service Agreement.

NOW THEREFORE BE IT RESOLVED, that the Board approves the License Agreement presented to it; and

BE IT FURTHER RESOLVED, that the Board approves the Service Agreement presented to it.

Board Minutes. Member Gagner made a motion to approve the minutes of the regular Board meeting held on December 11, 2013 as submitted. Member Vassar seconded the motion and it passed unopposed.

Board Meeting Dates. The following meeting dates and locations were scheduled:

February 19-20, 2014 – Boise

March 19-20, 2014 – Boise

April 15-16, 2014 – District 2 (tentative location)

Consent Items. Vice Chairman Coleman made a motion, seconded by Member Gagner, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, consent calendar items are to be routine, non-controversial, self-
ITB14-02 explanatory items that can be approved in one motion; and

WHEREAS, Idaho Transportation Board members have the prerogative to remove items from the consent calendar for questions or discussion.

NOW THEREFORE BE IT RESOLVED, that the Board approves the addition of the Railroad-ITD mitigation strategies to FY14 of the program, transit program changes requested by Valley Regional Transit and Community Planning Association of Idaho to FY14, and the designation of an expressway – US-95, Lewiston to Thorncreek Road and proposed Thorncreek Road to Moscow.

1) Addition of the Railroad-ITD Mitigation Strategies to FY14 of the Program. The Department received a \$25,000 Strategic Highway Research Program User Incentive grant from the Federal Highway Administration. The grant is for ITD and Idaho's major rail partners to work cooperatively to delineate responsibilities and identify policy and programmatic changes to expedite project delivery for construction projects involving highways at railroad crossings. The grant will be used to hire a consultant to assist with establishing best practices for partnering with the railroad companies. The goal is to create a standardized institutional agreement to increase collaboration, reduce project delays, and streamline resources. Staff requested the addition of the Railroad-ITD Mitigation Strategies project to FY14 for \$25,000 and to update the Idaho Transportation Investment Program (ITIP) accordingly.

2) Transit Program Changes Requested by Valley Regional Transit (VRT) and Community Planning Association of Southwest Idaho (COMPASS). On behalf of VRT, COMPASS requested increasing funding for vehicle lease or purchase for the fixed line and demand response services, support for equipment and maintenance, and demand response services in the Nampa Urbanized Area for FY13. For the Boise Urbanized Area, it requested increases for mobility management administration and implementation in FY13; and demand response services, transit planning efforts, and mobility management administration implementation in FY14. Additionally, reductions in funding are being requested in the Nampa Urbanized Area for preventative maintenance support for fixed route and demand response service in FY13 and for demand response services in FY14. The COMPASS Regional Transportation Improvement Program has been modified to reflect these changes, as shown as Exhibit #436, which is made a part hereof with like effect. Staff requested modifying the Transit Program and amending the FY13-17 Statewide Transportation Improvement Program.

3) Designate Expressway – US-95, Lewiston to Thorncreek Road and Proposed Thorncreek Road to Moscow. Per IDAPA 39.03.42, the Board has authority to designate a highway as an “expressway” for the purpose of access control. Staff requested the designation of US-95 milepost 312.675 to 323.360 (segment code 001540); US-95 milepost 323.360 to 330.407 and milepost 330.407 to 337.668 (segment code 001539) and the proposed US-95 Thorncreek to Moscow project, milepost 337.668 to 344.004 as expressways.

Informational Items. 1) Monthly Financial Statements. Net obligations through December totaled \$103.3 million. Of those obligations, \$100.4 million were for activities programmed for 2014; although the Program estimated those activities at \$102.7 million. December's obligations exceeded the three-year average of \$83.1 million for the same period.

Through November, federal aid to the State Highway Fund totaled \$167.3 million year-to-date, or about 23% more than

the same time period last year. Revenue from the Highway Distribution Account was 2.3% below projections. Staff will monitor the revenue to determine if adjustments are required. It was noted, however, that December's revenue improved with year-to-date revenue short of projections by .9%. Miscellaneous revenue and transfers in from the elimination of the ethanol exemption was \$1 million over the estimate. Expenditures for personnel costs were 4.4% less than budgeted through November. This is due to a continued effort to evaluate the workforce. Total expenditures, including encumbrances, for operations reflected a 1.7% positive variance. Capital equipment had a 5.6% negative variance, which is a timing difference in allotments versus contracts issued.

Aviation fuel tax revenue through November was 21% over projections. Staff does not believe the trend will continue. Miscellaneous revenue to the State Aeronautics Fund was 21% higher than projected. Overall expenditures were less than budgeted.

2) Non-Construction Professional Service Contracts Issued by Business and Support Management (BSM). From November 23 to December 30, the BSM Section processed three new professional service agreements and renewed one. The total activity equaled \$147,240.

3) FY15 Program Update – Funding Level Assumptions and Highlights. For the FY15 ITIP Update, funding assumptions are \$276 million from federal sources annually from FY15 through FY19. The projected state levels are \$12.5 million for FY15; \$10.2 million for FY16; \$11 million for FY17; and \$6 million for FY18 and FY19 each year. The process and schedule to update the Program was also outlined.

4) Status of FY15 Appropriation Request. The Department's FY15 appropriation request has been adjusted based on the Governor's budget recommendation. The main revisions are the elimination of the 1% change in employee compensation, totaling almost \$1 million; a fee increase of \$25,300 for the Idaho Technology Authority; and an additional \$65,900 for contract construction.

5) Contract Awards. Keys #12305 and #12304 – US-95, Plummer Creek Bridge, Milepost 395 and Plummer Creek Bridge, Milepost 394, District 1. Low bidder: Cook and Sons Construction - \$1,039,386.

Keys #12299 and #12300 – US-95, Kootenai River Bridge, Bonners Ferry and Burlington Northern Santa Fe Railroad and Arizona Street Bridge, Bonners Ferry, District 1. Low bidder: Braun-Jensen, Inc. - \$2,112,000.

Key #12329 – US-12 and US-95, Memorial, Spalding and Big Canyon Creek Bridges, District 2. Low bidder: The Truesdell Corporation - \$214,214.

Keys #12342 and #12396 – I-84, FY14 District 3 Pavement Striping and FY14 District 4 Pavement Striping. Low bidder: Interstate Barricades - \$557,750.

Key #12344 – SH-52, Union Pacific Railroad Overpass Rehabilitation, Payette, District 3. Low bidder: Braun-Jensen, Inc. - \$1,286,000.

Key #12407 – US-30, Snake River Gridley Bridge, District 4. Low bidder: Braun-Jensen, Inc. \$1,388,000.

Key #13065 – FY15 District 4 Districtwide Sealcoat. Low bidder: Intermountain Slurry Seal, Inc. - \$3,028,000.

Key #12401 – SH-50, Intersection 3800 East Road, Twin Falls County, District 4. Low bidder: Staker & Parson Companies dba Idaho Sand & Gravel Company - \$194,987.

Key #12454 – SH-28 and SH-33, FY15 District 6 Guardrail Upgrades. Low bidder: D L Beck Inc. - \$483,022.

Key #11675 – US-20, Island Park Lodge to Montana State Line, District 6. Low bidder: H-K Contractors, Inc. - \$2,715,808.

Key #12467 – US-20, South Rexburg Interchange #332 to South Fork Teton River Bridge, District 6. Low bidder: H-K

Contractors, Inc. - \$3,043,588.

6) Professional Services Agreements and Term Agreement Work Task Report. From November 25 through December 27, 19 new professional services agreements and work tasks were processed, totaling \$778,400. Two supplemental agreements to existing agreements were processed during this period in the amount of \$37,330.

7) Annual Report on Outdoor Advertising Sign Status. At the close of federal FY13, 5 illegal and 190 non-conforming signs remained throughout the state. Illegal signs do not comply with state and federal law and are to be removed. Non-conforming signs complied with law at one time, but due to a change in conditions or rules, lost their conforming status. Non-conforming signs are allowed to remain in place but cannot be improved.

8) Administrative and Legal Settlements of Right-of-Way Acquisitions. From July 1 through December 31, 2013, the Right-of-Way Section processed 45 parcels. There were ten administrative settlements and five legal settlements during this time frame.

Legislative Report. Government Affairs Manager (GAM) Mollie McCarty reported on various legislative meetings and presentations scheduled. Overall, the Department's rules are proceeding well through the germane committees. Staff is monitoring and analyzing some non-ITD bills. It is continuing to work with the sponsors on the proposed 24/7 Sobriety and Drug Monitoring Program Act. She also mentioned that Member Gagner's term expires on January 31; however, the Governor is re-appointing him to another six-year term.

Chairman Whitehead thanked GAM McCarty for the report.

Director's Report. Director Ness also summarized some of the legislative activities. The Transportation Coalition has scheduled a series of presentations to the germane committees. Staff will present information on the condition of the state's bridges and highway safety. He recognized employees for their outstanding customer service and mentioned other recognitions ITD received. Director Ness also said he is changing the format of his monthly report. The Executive Team members will report on activities and accomplishments in their respective area.

The Director's entire report can be viewed at <http://itd.idaho.gov/Board/report.htm>.

Some of the Chief Executive Officers' highlights follow. At the federal level, efforts are underway on the next surface transportation act, as Moving Ahead for Progress in the 21st Century expires this fall. The final GARVEE bond sale generated a lot of buyers, resulting in an interest rate of 3.86%. About \$320 million in construction projects are on the shelf, ready to bid. The US-95, Thorncreek to Moscow project is proceeding well. The Record of Decision is expected soon, which will be followed by a 30-day advertisement period in the Federal Register. The Human Resource initiatives focus on recruitment; talent management, such as career paths and succession planning; developing employees through efforts such as leadership development and coaching and mentoring; and monitoring success by tracking the turnover rate and employee engagement. The Division of Administration is working on establishing a better team culture, engaging employees, and collaborating with other divisions. It wants hassle-free results, reports that are easy to understand, and to hire and develop the right people for each position.

Chief Operations Officer Jim Carpenter also announced some personnel changes. Pat Lightfield, Assistant District 2 Engineer, is retiring this month, after 43 years of service. The Headquarters offices are being restructured into two divisions. District 3 Engineer Dave Jones has been promoted to Division of Engineering and Products and Plans Administrator/Chief Engineer and District 6 Engineer Blake Rindlisbacher will be the new Division of Engineering Services Administrator.

Chairman Whitehead thanked Director Ness and the Executive Team for the reports. The Board congratulated District Engineers Jones and Rindlisbacher on their promotions.

Informal Luncheon with the Aeronautics Advisory Board (AAB). The two boards met informally during lunch.

Aeronautics' Annual Report. AAB Chairman Rodger Sorensen reported on global aviation issues, noting commercial airlines recorded a profit this past year and commercial airlines U.S. Airways and American merged. He also commented on the increased use of unmanned aerial systems, also known as drones. AAB Member Chip Kemper said the agriculture aviation industry is doing well; however, he believes there will be challenges in the future, mainly due to drone activity, which could potentially create hazards for aircraft. The aviation fire activity was fairly steady this past year in eastern Idaho.

AAB Member Dan Scott commended the Division of Aeronautics for its search and rescue program. AAB Member Mark Sweeney said aviation activity in the state increased last year. He expressed concern with the decreasing number of pilots. In 2013, there were 25% fewer pilots than in 2000. He believes a bigger emphasis is needed on aviation education and promoting aviation. In response to a question from Member Kempton, AAB Sweeney responded that he believes one of the key reasons for the decline in pilots is the cost to become a pilot.

Aeronautics Administrator (AA) Mike Pape provided a financial report. Revenue is currently over projections due to more flights, as the majority of revenue is from jet fuel. Expenses are less than budgeted, but are expected to be on track. A high priority is to reduce the carryover of Trustee and Benefits expenses. In other areas, the federal government shutdown due to a lack of appropriations bills was a concern last year. No aircraft could be registered during that period and traffic control towers were negatively impacted. He also reported on the use of the state aircraft. State employees saved 3,600 hours by flying instead of driving.

Staff provided reports on various programs and activities. In 2013, \$450,000 was provided as matching funds for 19 Federal Aviation Administration grants to general aviation airports for rehabilitation, planning, and new facility projects. For 2014, \$700,000 is estimated to be available. Work is underway to improve the grant management process, with goals of less annual carryover and faster grant payouts. The volunteer program continues to be a valuable asset, as 335 man hours provided assistance with activities at eight of the state-owned airports. Recreational usage at the state airports was up 10% over the last two years. Last year, there were 33 aviation accidents with 12 fatalities in Idaho compared to 39 accidents with 5 fatalities in 2012. Pilots making poor decisions appeared to be the most common factor in the incidents.

AA Pape also reported that the avionics in the King Air need to be replaced.

Vice Chairman Coleman made a motion, seconded by Member Vassar, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Department's Aircraft Operation function
ITB14-03 is a critical program utilized by a variety of state agencies to perform state business effectively across the state; and

WHEREAS, safety of aircraft operations is the highest priority of every flight; and

WHEREAS, the 35 year old avionics (flight instruments, navigation, auto pilot, and associated systems) in the King Air are obsolete and safety and reliability may become a factor in current operations.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board authorizes the Director to make the necessary business decisions to fund the replacement of the avionics systems for the King Air at an estimated cost of \$300,000 from current budgets within the State Aeronautics Fund.

Chairman Whitehead thanked the AAB members and staff for the report.

Delegation – Pacific Northwest Economic Region (PNWER). Idaho Lieutenant Governor Brad Little introduced the PNWER delegation and provided background on the coalition. Comprised of the public and private sector, it addresses various issues of the region, including energy and transportation.

Alana DeLong from Alberta, Canada said there is interest in utilizing the Port of Lewiston; however, a good, reliable corridor to Canada is needed. She stressed the importance of access to markets and moving products.

Bruce Agnew said PNWER would like Idaho to take the lead on harmonizing vehicle size and weight standards in the region and to streamline the permitting process. Another initiative it would like Idaho to help coordinate is Fast Forward Northwest. This public private partnership would improve international market access for exports by eliminating bottlenecks on rail corridors and improving road and port connections.

The Board expressed support for increased usage of the Port of Lewiston and standardizing the truck size and weight regulations. Chairman Whitehead thanked the delegation for its presentation.

Public Transportation Advisory Council (PTAC) Board Policy. PTAC Chair Kathleen Simko discussed proposed revisions to Board Policy 4039 Public Transportation Advisory Council, formerly B-28-04. PTAC supports inclusion of language stating that a philosophy of reducing reliance on federal funding should be pursued. During her tenure on PTAC, there have never been sufficient funds for Idaho's transit needs. No service can be funded solely through fares. PTAC members believe other funding sources need to be identified.

Member Vassar understands PTAC's position; however, she does not support including that language in the Board policy. There is no state funding source for public transportation.

Member Kempton asked if the desire is to reduce reliance on federal funds, would Idaho decline additional federal money? PTAC Chair Simko replied that she does not anticipate additional federal funds would be rejected; however, she believes it is important to seek other funding sources.

Member Vassar made a motion to delete the statement "A philosophy of reducing reliance on Federal funding should be appropriately pursued" from the draft policy. Member DeLorenzo seconded the motion and it passed unopposed.

Member Vassar made a motion to approve the revised Board Policy 4039 Public Transportation Advisory Council. Member Kempton seconded the motion and it passed unanimously.

Policy Introduction. Human Resources (HR) staff introduced board and corresponding administrative policy changes. The legal authority and a purpose statement were added to all of the documents.

Board Policy 4019 Equal Employment Opportunity and Fair Employment Practices combined former policies B-18-07 Code of Fair Employment Practices and B-18-09 Equal Employment Opportunity/Affirmative Action. The consensus of the Board was to hold this policy for further review and discussion.

No additional changes are proposed to Board Policy 4033 Workplace Violence, formerly B-23-03. Minor changes are recommended to the corresponding administrative policy 5033 to ensure compliance with Idaho Code.

Member Vassar made a motion to approve Board Policy 4033 Workplace Violence. Member DeLorenzo seconded the motion and it passed unopposed.

Member Kempton made a motion to recommend Director approval of 5033 Workplace Violence. Member Vassar seconded the motion and it passed unanimously.

Minor changes are proposed to Board Policy 4055 Harassment in the Workplace, formerly B-18-04. More substantive changes are proposed to the corresponding administrative policy. By unanimous consent, the Board held 4055 and 5055 for further review and discussion.

The proposed change to Board Policy 4056 Employee Safety and Risk Management Program, formerly B-23-01, is the removal of a reference to a rule. No changes are proposed to the corresponding administrative policy 5056.

Vice Chairman Coleman made a motion to approve Board Policy 4056 Employee Safety and Risk Management Program. Member Vassar seconded the motion and it passed unopposed.

Member Vassar made a motion to recommend Director approval of 5056 Employee Safety and Risk Management Program. Member Kempton seconded the motion and it passed unopposed.

Administrative Policy Review. HR staff summarized changes to three stand-alone Administrative Policies: 5520 Internship Program, formerly A-01-17; 5521 Standard and Flextime Work Schedules, formerly A-06-03; and 5523 Alcohol and Drug-Free Workplace, formerly A-18-12. It also recommended deleting Administrative Policies A-06-44 Workplace Accommodations and A-18-08 Return to Work because the polices are procedural-based and the information is included in manuals.

The Board had no objection to the proposed changes to the stand-alone administrative policies.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 3 PM.

signed

JERRY WHITEHEAD, Chairman
Idaho Transportation Board

Read and Approved
February 19, 2014
Boise, Idaho