

**Director's End-of-Year Board Report
December 2016**

Mr. Chairman and members of the Idaho Transportation Board, before I present the end-of-the-year board report, I have some heartbreaking news to share with you.

Byran Bidegain, a District 3 Transportation Technician, died yesterday morning in an accident while working on Highway 21 near Idaho City.

Byran was an employee at the Idaho City shed for more than five years, and we are all deeply saddened by his loss.

Please keep his family and those who knew him and worked with him in your thoughts and prayers as they cope during this difficult time.

I will now move on to my December board report.

At the end of last year, I had the privilege of presenting ITD's new Five-Year Strategic Direction, and the highlights of the previous 12 months.

As you may remember, 2015 was an amazingly productive and successful year for ITD.

I am pleased to report that 2016 was even more productive.

Here are a few of the highlights from the last 12 months.

The DMV Modernization is on track and making good progress.

DMV is now issuing licenses and ID cards with enhanced security features to prevent counterfeiting.

We issue the cards through an electronic process that eliminates 90% of the paperwork, reducing staff time and overall costs.

DMV received a one-year extension from the Department of Homeland Security and will begin issuing REAL ID in January 2018.

And several small DMV teams are collaborating to retire the mainframe early, from the original 2020 date to 2018.

Driver's license examiners are using a new GPS-enabled testing system that allows examiners to use a tablet during commercial driver license tests.

The new system makes testing more efficient and secure.

DMV also simplified the administrative process they use to review titles.

This is an important step in transforming DMV business practices.

And is an important part of the DMV organizational realignment, which is focusing on improving staff efficiency.

Full implementation of the DMV Modernization Process is ahead of schedule.

One event this year that was definitely not on our schedule was the landslide on Highway 14 west of Elk City.

A slide of that magnitude was unexpected, but we had an excellent program in place that allowed our department to respond immediately.

The initial landslide happened on February 18th, and as you remember, was captured on video by an ITD employee.

Tons of rock and debris slid off the mountain and into the Clearwater River, covering over 500 feet of the highway.

On March 9th, we accepted a \$1.3 million bid from West Company located in Airway Heights, Washington, to clean up the slide.

They began work two days later, and were able to temporarily open the road to traffic on March 23rd.

Unfortunately, a second massive slide occurred on April 22nd, adding more than 100,000 cubic yards of debris to the first slide.

Dave Kuisti, District 2 Engineer, said the last time the district faced a challenge this big was in 1996 when flooding wiped out several highways.

Six months and one week after the initial landslide, District 2 opened Highway 14 to traffic with no restrictions.

That was the result of a massive effort.

Crews hauled more than 15,000 truckloads of dirt and rock from the area at a cost of more than \$3.5 million dollars.

I think I can speak for the residents of Elk City when I say they felt a huge relief when the project was completed and their lives could go back to normal.

And I congratulate everyone at District 2 and in the contractor's crew for responding rapidly and efficiently to resolve the problem, and getting the highway safely opened to traffic in a short period of time.

They did a great job.

Here is a KTVB news story about the reopening of Highway 14.

The Highway 14 landslide made a lot of press.

It was on television, on the radio, in the newspapers, and even went viral on the Internet.

But there were two construction projects that also received a lot of press in 2016.

The Thornton Interchange in east Idaho and the Broadway Bridge in Boise.

Both of these projects are on U.S. 20.

The Thornton Interchange is now open to traffic.

District 6 hosted the grand opening on November 18.

The Thornton Interchange completed a series of projects that improved driver safety on U.S. 20 by replacing 18 at-grade intersections with seven modern interchanges between Idaho Falls and Sugar City.

ITD invested \$85 million over 16 years to replace these intersections.

And the safety improvements are worth every penny.

Even though traffic volumes increased by 115 percent on this section of highway in the last 16 years, fatal crashes decreased by 50 percent.

And serious-injury crashes decreased by 75 percent.

This is a prime example of how good engineering can save lives and increase mobility at the same time.

Good engineering can also improve economic opportunity.

And the quality of life for our citizens.

A perfect example of this is the new Broadway Bridge on U.S. 20 in downtown Boise.

We began construction after Boise State's final home football game in 2015, and completed construction before kickoff of their first home game in 2016.

More than 400 people attended the opening ceremony on the bridge, including Board Member Delorenzo.

Boise State President Bob Kustra addressed the excited crowd, saying, and I quote:

"A state-of-the-art bridge that keeps vehicles, bikes and pedestrians moving seamlessly and safely to both sides of the river is essential to the future of Boise State University and Boise's growing downtown."

Dr. Kustra went on to say:

"The connectivity this new infrastructure provides helps ensure that the city and its university will continue to be a national leader in growth and innovation."

End quote.

There were several speakers that day, here is a look at what some of them said about the project.

The Broadway Bridge is a vital link between downtown Boise and Interstate 84.

People and products will travel safely over the new bridge for decades to come.

Those products, whether they be fresh food for Boise's restaurants, or new desks and computers for downtown businesses, all have to travel as freight on Idaho's transportation system.

We want Idaho's freight system to be as efficient as possible and to continue to improve, which is why we hosted the 2016 freight summit at Boise State in February.

Board Chairman Jerry Whitehead and Chief Operations Officer Jim Carpenter both spoke at the event, which had two goals.

Goal One was to share information about federal legislation, the work of the Idaho Freight Advisory Committee, and Idaho's construction plans for the next five years.

The other goal was to gather input from the freight industry on what they would like to see in the next **Statewide Freight Strategic Plan**.

The title of the 2016 freight summit says it all.

FREIGHT — Building Idaho's Economy

That ties directly to ITD's strategic goal of providing a mobility-focused transportation system that drives economic opportunity.

We strategically invest in highway infrastructure to maximize capacity and efficiency.

But we also strategically plan ahead to make sure we have at least one year of projects designed and ready for construction.

One of the advantages of this strategy is that we have projects ready to go if extra federal funds are made available.

In 2016, several states were unable to provide highway projects to use all their federal funds, and that made the money available to states that could put the money to use immediately.

ITD was one of the lucky agencies that received a redistribution of that federal money.

We received nearly \$22 million in additional federal funds.

And wasted no time in making good use of the new money, investing it as the board directed in the September meeting.

We used \$15.3 million for state and local programs.

And targeted the remaining \$6.4 million to improve safety through specific programs.

These include the Local Highway Safety Improvement Program, the Transportation Alternatives Program, and the Strategic Initiatives Program.

We invested the additional money to improve infrastructure and safety of Idaho's transportation system.

But these are not the only kinds of investments the department is making to ensure the quality of our programs and systems.

We are also investing time and effort into WASHTO's Emerging Leaders program that will produce and train future leaders at ITD and other WASHTO states.

This was the first full year of the three-year program.

It has three major themes:

Leading Self

Which is understanding who they are as a leader and managing to their strengths.

Leading Others

Which is developing their people-management skills to lead others

And Leading Organization

Which teaches them to create an organizational vision and develop strategic thinking skills.

In June, the emerging leaders assembled in Laramie Wyoming for the 2016 WASHTO Conference.

The emerging leaders made a 90-minute presentation at the opening session.

Their presentation was the surprise highlight of the entire conference.

The CEO's from the 18 WASHTO states were so impressed that by the end of the day they had all pledged their support and participation.

As the executive sponsor of the program, even though I handed the WASHTO gavel over to incoming president Carlos Bracerros from Utah, I was asked to continue leading the Emerging Leaders program for two more years, with assistance from Chief Human Resource Officer Brenda Williams and her team.

As I mentioned earlier in the year, we are already seeing the participants from ITD and the other states getting promoted and recognized.

One was promoted to WASHTO Treasurer.

One was named to an AASHTO Research Panel.

Another earned the 2016 Hewes Award, which is the most prestigious honor given by WASHTO.

And our own Jesse Barrus was promoted to Operations Manager for District 6.

As you can see, the quality of the individuals in Emerging Leaders is truly top notch.

The program is teaching them to work together to build strong professional relationships that will help them throughout their careers.

It is also providing opportunities to consult with each other in collaborative problem solving.

And share best practices they can bring to their agencies.

As the program matures, the ITD employees who participate will use their growing leadership skills to benefit ITD and the state's transportation system.

In addition to developing an emerging leaders program, we are also developing career paths for our employees.

Our Horizontal Career Path Programs provide opportunities for employees to improve their pay based on performance, training, skill, and competence.

It is a performance-based compensation plan that supports advancement through a horizontal career path.

We launched the first program in January 2015, and we currently have over 700 employees in highway operations participating in different programs.

In the next two years we will be expanding the program, adding two more career path programs for 300 employees.

At that time, more than half of all ITD employees will have a horizontal career path specific to them.

This program turns jobs into careers, and allows ITD to keep and reward its most productive employees.

It provides an opportunity for employees to develop greater skills, innovate, and be more accountable.

And it allows the department to improve performance and accomplish more with a smaller, increasingly productive workforce.

Our workforce is not only growing smaller, it is changing.

We are still in the process of losing more than 50 percent of our workforce to retirement.

Four of the employees who retired in 2016 had a total of 182 years of service between them.

That is an average of more than 45 years of service each.

Rather than years of service, I prefer to think of it as years of experience.

We are losing our most experienced employees, and their skills and abilities will be hard to replace.

Horizontal career paths are helping attract the kind of people we need to replace those who are retiring.

And so is the 2020 workforce plan.

The 2020 plan is helping us replace our retirees with highly skilled and highly motivated people who can step in and take their place.

The people we are hiring are high achievers who have a desire to succeed, and a willingness to learn and innovate.

Hiring motivated people with a spirit of innovation is vital to our 2020 plan.

Here is a short video showing ITD innovations that earned the title "**Best of the Best.**"

Our new hires, and our existing employees are excited about innovation.

Very excited.

When I visited with the employees in my Director Visits this year, they shared many time and money-saving ideas and innovations that allow us to stretch our dollars much farther than would otherwise be possible.

The employees never stopped surprising me with how many ways they can save time and money, whether it be in a district office, on a highway project, or in a section here at headquarters.

My final meeting this year was with DMV employees.

Nearly 60 of them met with me at the District 3 office, and they were fired up and ready to go.

Chief Deputy Scott Stokes stopped by for a few minutes to see how it was going, and once he saw the excitement in the room, he decided to stay for the entire day.

By the end of the morning, the DMV employees had covered the walls with dozens and dozens of ideas and innovations to improve services to the public, improve safety, and stretch what they can do with taxpayer dollars.

They are dedicated to being the most customer-focused DMV in the country, a title which they well deserve.

The picture you see on the screen shows DMV Administrator Alan Frew and I having some fun around the 24 innovations that the DMV employees selected from all those on the wall to be voted upon by the group.

From these 24, they selected the six best of the best.

Among the winners were **real-time updates** for vehicle titles and registrations.

This new system provides instant access to ITD's records for law enforcement officers in the field.

Thanks to this new system, if someone renews their expired registration at a DMV office and happens to get pulled over five minutes later, the officer will be able to immediately see on his computer that the registration is up-to date.

Another winner is the online **Driver Record Dashboard** that employers can use to check the license records and medical cards of their drivers.

The dashboard replaces the need to contact DMV every time an employer wants to look up information.

This will save nearly 1,300 labor hours per year.

I will talk more about the dashboard later when I address the national awards ITD received in 2016.

Another program DMV is excited about is **cross-utilizing their employees**, empowering them to take on additional roles and responsibilities.

For example, a technical records specialist at the East Boise Port of Entry recently filled in for unexpected vacancies at two other Ports of Entry by processing registration transactions and issuing credentials remotely.

This enabled customers at the other two ports to receive service right there, even though the actual work was done at the East Boise port.

Now THAT's customer service!

Another of DMV's top six is the "**Weigh in Motion**" system.

It allows pre-qualified trucks to stay on the road without having to stop at ports of entry, saving freight companies millions of dollars in time, fuel, and labor expenses.

DMV's Port of Entry employees have implemented the use of hardware called **Cradlepoint** to overcome the obstacle of working in remote locations.

It gives roving inspectors 4G broadband access and up-to-the-minute information.

This not only helps ensure truck drivers are cleared to operate on our system safely without delay, but allows staff to issue required credentials in the field.

The DMV Administration Team has developed a better way to send out invoices by using an **electronic stamp**.

This allows them to fill out invoices in a fraction of the time while also improving the accuracy of the records.

These examples were just six of the hundreds of ideas and innovations employees from across the department shared with me in 2016.

Every one of them moves the needle on our performance as a department.

Some move the needle a little bit.

Some move the needle a lot.

But when taken together, they represent a tidal wave of innovation and improvement.

And it all comes from the minds and hearts of ITD employee who care about the work they do and the quality of the services they provide to the public.

That same innovation was at the heart of the Leadership Summit we hosted on October 27th.

As I mentioned earlier in the year, the summit was designed as a Rapid Innovation Event to address and solve actual ITD problems.

Ten teams prepared and trained for the summit.

Their members were selected based on:

- **Leadership potential**
- **Interest in participation**
- **On-the-job performance, and**
- **Demonstration of constructive behaviors**

Each team was assigned an actual ITD problem from the list of priority issues you see on the screen.

The teams worked for several months to solve the problems they were assigned, then reported on their solution at the summit in late October.

The solutions they came up with were then voted on by everyone attending the summit.

There were three categories of awards.

The **Personal Computer Surplus Team** won first place in the Problem-solving category.

The **ITD Website Team** earned first place in the Culture category.

The third category was for coaching.

Each team was assigned a coach to help them work through difficulties and issues as they addressed their problems.

District 5 Engineer Ed Bala was voted as the most-effective coach and received a rousing ovation from the audience.

His team developed a way to streamline the process for buying supplies in the districts.

Here are what some of the participants said about the summit.

The 10 teams developed solutions that will improve the way we do business and the level of service we provide to our customers for many years to come.

The Innovation Summit awards were internal, but they are not the only awards for ITD this year.

And what a year it has been.

In early January the national awards began rolling in.

And they just kept coming.

To date in 2016, we have received a total of 30 national awards.

And these awards were not just limited to one area of the department.

Our DMV, Aeronautics, and Highway programs were all recognized nationally for innovation and excellence.

There is not enough time this morning to share each of the awards with you, but several of them were the highest transportation honors in the nation.

The Broadway Interchange on Interstate 84 received the **American Council of Engineering Companies First Place Award** in the **Engineering Excellence, Transportation** category.

The American Association of Motor Vehicle Administrators, also known as AAMVA, gave a national award to ITD's **Online Driver Records Dashboard** that I mentioned earlier.

This program also won an international award.

ITD was also one of the top three finalists for **Idaho's Innovative Company of the Year Award**.

No other state agency has ever been a finalist.

But ITD's innovative culture and success proved to the judges that a government agency can be just as innovative as the private sector.

And that we can move at the speed of business.

By finding better ways to do our jobs, we put the focus on the customer and serve the citizens—not ourselves.

While we did not win first place, just being one of the top-three finalists is an accomplishment that we will not soon forget.

But our awards and honors were not quite over yet.

Two of our highway projects, the South Valley Connector and the GARVEE Program, won second and Third place in the **America's Transportation Award**, People's Choice.

The winning project from Florida received 64,000 votes.

However, if the votes for the two projects from Idaho were combined, we received a total of 111,000 votes.

Far exceeding the votes for the Florida project.

But it gets even better than that.

The 12 best projects from across the country competed for this award.

And two of them were from Idaho.

An amazing feat in itself.

But not as amazing as the fact that those two projects from Idaho received 47 percent of all votes cast.

That's right, 12 projects from across the country, and the two projects from Idaho received almost half of the votes.

That says a lot about our department, and the quality of what we do.

I can assure you that the other states are keeping a close eye on what Idaho is doing, and how we are doing it.

I remember in 2013 when we received more awards than any state in AASHTO's 100-year history.

I was told then that it would be a long time until we would receive any more Presidents Awards.

I am happy to say that ITD somehow forgot to pay attention to that warning.

Because in the next two years we added two more President's Awards to our honors.

And then, last month, the earth shook.

The skies parted.

And we earned two more AASHTO Presidents' Awards.

One is the **President's Award for the Environment** for the Osprey nesting platform project in District 2.

And the other is the **President's Award for Performance Excellence** for the 59 projects in our GARVEE Program.

The GARVEE projects were delivered on time and under budget.

And several of the individual GARVEE projects earned their own national awards for project excellence over the last several years.

GARVEE was a massive and extremely successful program that has provided an economic shot in the arm for Idaho's economy.

It also dramatically improved safety and mobility in some of our most important transportation corridors.

The fact that it won the President's Award for Program Excellence should surprise no one in this room.

President's Awards are the top transportation awards in our country.

I like to think of them as the Academy Awards for transportation.

And since 2010, ITD has received a grand total of 10 President's Awards.

That truly is earthshaking.

Especially when you consider that we are competing against the **best of the best** from all 50 states.

Idaho may be considered fly-over country by some, but definitely not by the other 49 state transportation departments.

They know our name.

They know our results.

And they know we are continuing to set the bar higher and higher in our quest to be the best.

The 30 national awards ITD received in 2016 were awarded to us by our peers in transportation-related departments and agencies across the country.

They realize that ITD is now a national leader.

We are strategically investing taxpayer dollars into projects that provide the best return on the dollar.

We are moving at the speed of business, and we are leading the way for other state transportation departments in innovation and excellence.

It has been an amazing year, and I look forward to working with you in 2017 to continue making ITD the best transportation department in the country.