Thank you Chairman Whitehead. And good morning members of the Idaho Transportation Board.

I would like to thank Jason Minzghor and his employees in District 6 for hosting the Director Visit this week.

On Monday morning we discussed the new **2016 to 2020 five-year direction**.

And the employees shared many of their most valuable ideas with me.

“Officially” District 6 has submitted 73 ideas for consideration since late 2014.

To date, the department has implemented 25 of their innovations, saving 457 hours of work time annually and more than $450,000.

As you can see by the sticky notes on the wall, they are just getting started, there are a lot more innovations to come.

On Monday afternoon, District 6 hosted an innovation fair, similar to the one held last month in District 1.

The innovations they shared with me are saving taxpayer dollars and improving our operations.

**Denise Cooley**, a buyer in District 6’s Supply Operations section, developed an accounting innovation that is saving time and money for both ITD and our suppliers.

Here is how it works.

Automotive parts vendors often give ITD a break on the cost of new parts, such as starters and fuel pumps.

But the discount requires that we return the old parts to the vendors so they can be rebuilt.

The problem is that after being removed from the vehicles and replaced by new parts, the old parts are often still in the field.

In the past, ITD paid full price for the new parts.

Then we sought credit for the old ones after retrieving them from the field and delivering them to the suppliers.

This required extra man hours, extra shipping costs, and a lot of additional paperwork.

It was an accounting nightmare.
Denise thought about the problem and came up with a solution that is better for both ITD and the vendors.

She proposed that vendors give ITD the cost reduction at the time of every purchase.

Right up front.

And then we would deliver the old parts to them when we could.

The vendors liked the idea, so District 6 implemented the innovation to give it a try, and it has been a great success for both ITD and the vendors, because the vendors are able to move the old parts to their facilities at their convenience.

The district gathers and stores the old parts until the vendors are ready for them, which frees up valuable space in their warehouses.

They retrieve the parts every few weeks, which removes the need and cost of ITD delivering them.

This is just one of the many innovations District 6 employees shared with me.

Let's take a look at a few others.

Mike McKee, who you saw in the video explaining the 3-D modeling at the Thornton Interchange, was ITD's Engineer of the Year last year.

And I think you will agree, he has lots of great coworkers here in District 6.

On Tuesday I took a tour of District 6,

This included a pothole patching project on Idaho 47 east of Ashton,

Barrow pit work on Idaho 33 near Victor,

and visiting the site of a new garbage enclosure at the Clark Hill rest area on U.S. 26 east of Ririe.

Let's take a look at some of the day's events.

As you can see, the people here in District 6 are doing excellent work.

Their innovations are saving time, saving money, and improving our operations.

And their commitment to making ITD the best transportation department in the country is inspiring to see.

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District 5 has a project about 60 miles south of here that is nearing completion.

It is the new weigh-in-motion system for the Inkom Port of Entry.

It should be up and running in September.

The new system will allow trucks hauling safe, legal loads to bypass the port of entry without stopping.

This will reduce traffic congestion and decrease travel times for shippers.

The Federal Motor Carrier Safety Administration provided a grant of $2 million for the $3.6 million project.

ITD paid approximately $1 million for the electronic equipment, and $596,000 in matching funds.

Because of extremely tight grant deadlines, we fast-tracked the project with the goal of completing it in 45 days.

The new weigh-in-motion system is similar to those already in place near Boise and Coeur d'Alene.

The photo you see on screen shows the sensor loops prior to being covered in concrete.

This technology allows port employees to spend more time checking commercial vehicles for safety and equipment issues.

And it allows freight to move more efficiently.

This project addresses all three items in our mission statement:

Safety. Mobility. And economic opportunity.

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In District 1, The United States Department of Transportation awarded a FASTLANE grant of $5.1 million for access improvements to U.S. 95.

The grant, which must still be approved by Congress, covers 60 percent of the funding needed to improve the corridor between Interstate 90 and Idaho 53.

We will use $1.7 million of federal freight money to pay 20 percent of the cost.

ITD will provide 10 percent of the needed funding, and the cities of Coeur d'Alene and Hayden will provide the remaining 10 percent, for a total of $8.5 million.

The U.S. 95 access-improvements project was one of only 18 projects selected nationwide from a pool of more than 200 submissions.
The project will include better signal timing, access improvements, and turning-radius enhancements for trucks.

The goal is to reduce conflict points, improve traffic flow, enable more efficient shipping on the corridor, and reduce crashes.

Kootenai Metropolitan Planning Organization Executive Director Glenn Miles said in the application for the grant, and I quote:

“This series of projects is essential to the long-term viability of the U.S. 95 corridor, providing access and mobility for freight, commerce, economic development, and the citizens of this region.”

End quote.

The Division of Engineering Services contracted with the Western Transportation Institute at Montana State University to publish a report titled:

"Growing a Constructive Culture at ITD."

This is the first research project on culture for any transportation agency in the country.

The report shows that the strategies we have implemented to change ITD's culture are making progress, and have resulted in meaningful improvements in many areas, including:

- Organizational Structures
- Systems
- Technology
- Qualities and Skills

Measures of Senior Leadership Team members, managers, and supervisors show significant improvement in the operating culture.

The report also states that more time will be needed to see significant changes among front-line staff.

It notes that ITD is only in its fourth year of cultural change.

And that these types of changes among front-line staff often take seven to 10 years to be fully realized.
We know we have work to do in making all of the needed cultural changes, but we are definitely well down the road to achieving our goals.

I would like to read a short paragraph from the Conclusions and Recommendations chapter.

It states, and I quote:

"ITD has continued to improve its organizational performance based on the measures of its strategic plan.

In 2015, ITD exceeded 8 of its 10 performance benchmarks.

Furthermore, it has significantly improved its efficiency since 2009, based on several measures of transportation system size and use relative to personnel costs while reducing its overall headcount by 11 percent from 2009 to 2015."

End quote.

If you would like to receive a copy of the report, please let me know and I will make sure you get one.

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The Summer 2016 edition of *Hydrolink*, a newsletter published by the AASHTO Subcommittee on Design, featured its first-ever article about a member of the Technical Committee.

It is about our very own Lotwick Reese, who recently retired after a half century of service at ITD.

The article lists many of Lotwick's greatest achievements, including leading Idaho to become one of the first of the 50 states to complete scour evaluations for all of its bridges.

And coordinating the design and construction for one of the nations' first A-Jacks installations as a pier and abutment scour-prevention measure.

This was on two bridges over the Snake River.

And he proposed a project in 2009 that led to Idaho being the first state in the nation to develop a solution to an extremely rare phenomenon called an Alternating Vortex.

This problem was creating major erosion in the channel banks and undermining the abutments of a bridge downstream of the Interstate 84 bridge near Orchard Avenue.

Lotwick worked with a team at the University of Utah to develop a solution that saved taxpayers thousands of dollars and earned:
• ITD’s Excellence in Transportation Award.

• The State Engineering Excellence Award, and

• The National Recognition Award from the American Council of Engineering Companies.

The article ends with a special comment in bold text from his friends and colleagues at the FHWA's Technical Committee on Hydrology and Hydraulics.

It reads, and I quote:

“Lotwick, we wish you the best on your next adventure, and although we are sad that your service comes to an end, we are enriched and better engineers for knowing you and all that you have done in our field, thanks to your wealth of knowledge and commitment to hydrology and hydraulics.”

End Quote.

Lotwick sent us an e-mail saying that he considers this article not only a great honor for himself, but also for ITD.

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Two weeks ago I received a letter from an ITD employee.

I would like to share a portion of it with you.

It reads, and I quote:

"Doing what I’m doing now is the best job I've ever had, both because it’s using my best skills and because I get to work with a small team of motivated people.

As well as folks in the districts, who know 100% that what we’re doing adds value for the citizens of Idaho.

This is a story I also tell my family, and on occasion bore my neighbors with at pool parties.

This is the first public sector job I've had.

Other than a couple stints at large Fortune 500 companies, most of my jobs have been with small private companies.

Prior to joining ITD I was working for a local commercial real estate company which was a terrific place to work.
The environment was energetic, creative, and collaborative (blue culture!) and because it was small, everyone had a strong sense of ownership.

When I came here, I was nervous this would be lost, and to be honest it was to some degree, simply because we’re a larger organization.

However, since joining in 2009, I can say for certain the culture has begun to change, and my own sense is that ownership and being allowed to take some risk in making decisions without fearing punishment is a big part of that.

ITD is quickly becoming the sort of organization I’ve always wanted to be a part of.

To be honest, I thought I would hang around for a while but eventually jump ship when the economy picked up and a more exciting opportunity came along.

In 2014 an opportunity to return to the private sector did present itself, but rather than jump ship I realized ITD was the most satisfying work environment I’ve ever been in and turned the higher paying offer down.

My wife had mixed feelings because of the pay, but ultimately supported my decision.

As she now says, often:

“A happy husband and dad is a good husband and dad.”

Thanks for everything you’ve done to foster this environment.”

End Quote.

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On August 11, the Division of Motor Vehicles celebrated the 20th anniversary of their Employee Recognition Program.

Which they have had in place since July, 1996.

The program was developed to do two things. 

**One**, to provide a way for the division to recognize employees.

And **TWO**, to provide a way for DMV employees recognize their coworkers.

The program highlights employees who consistently perform above and beyond normal expectations.

It has two parts.
The **YES Program**, which stands for "**Y**our **E**xcellence **S**hows," recognizes excellent customer service.

Which is extremely important in the Division of Motor Vehicles, because they pride themselves in having some of the best DMV customer service in the country.

The **Quality Time Program** encourages employees to stay well, and recognizes them for their dependability.

Some DMV employees have been recognized for up to six years of perfect attendance, with no use of sick leave at all.

The Employee Recognition Program is mostly self-funded through activities such as bake sales and silent auctions.

The proceeds pay for employee social events such as donut days, ice cream socials, and nacho days.

A small amount of DMV’s budget is allocated for awards.

Over the last 20 years, the **Quality Time Program** has provided more than 1,000 personalized sample license plates, like this one, to employees who use very little sick time.

In the past five years, 1,400 **YES Program** nominations have been received and approved.

The Yes Program has awarded more than 400 car wash passes and more than 900 movie tickets to employees in recognition for their excellent, and often outstanding, customer service.

While this is a formal program with a serious purpose, the DMV also has fun with it.

They hold celebrations each quarter.

At the program’s 20th anniversary celebration last week, which featured a look at 20 years of program highlights, a group of three employees dubbed “**The Three Amigos**” returned for an encore performance.

Here’s a video clip of The Three Amigos:

- David Metcalf
- Reymundo Rodriguez
- And Tyler Zundel

And now I would like to introduce the Executive Officer who leads the DMV and **The Three Amigos**, Chief Deputy Scott Stokes, for his August Report.
Mr. Chairman and members of the board, this concludes my Director’s report for August.