

Director's Board Report

January 2014

Thank you Chairman Whitehead. Good morning members of the Idaho Transportation Board. I am pleased to present my first Director's report for 2014.

January starts a new year and I am bringing a new format to my board report. Each Executive Team member will

be providing a portion of the Director's report and updating you on what is going on in their areas. This is another step in my commitment to placing decision making as close as possible to where the work is being done and the operations are taking place.

The Legislature convened last week. Our annual presentation to the House and Senate Transportation committees is tentatively scheduled for January 28. Our

budget presentation to the Joint Finance and Appropriations Committee is tentatively scheduled for February 10.

We also are making presentations to the transportation committees on the condition of the state's bridges and our progress in improving highway safety.

They are tentatively scheduled for January 14, 16, 20th and 21st.

In early December, we honored the many ITD teams that have brought national recognition to Idaho at a luncheon in Boise. I would like to thank Board Chairman Whitehead and Members DeLorenzo, Horsch and Gagne for attending.

I am pleased to report that ITD is continuing to receive international and national attention for its programs.

The highway agency for the United Kingdom has requested information about ITD's winter storm performance measuring system. This makes the fourth country that has directly contacted ITD about its system.

Enhancements to ITD's 511 Traveler Services were part of a national news story on winter storm preparedness released by AASHTO.

ITD's new option that enables motorists to report on the highway conditions they encounter by entering the information directly into the 511 system was one of eight innovations listed in the article. The news release was sent to 22,000 media outlets, bloggers and transportation professionals and was published by The Washington Post among other national media.

I would like to show you a video that highlights our new, innovative 511 features.

SHOW VIDEO

Through realignment and our work to move to a more constructive culture, we are challenging employees to take more responsibility for the work they do and contribute to the goals of the strategic plan.

We received a compliment from State Communications Manager Michelle Carreras (Car – er –as) about ITD’s Phil Braun that shows how our employees are embracing these ideas. Phil works in the Mobility Services Office.

Michelle wrote in a letter to ITD “I want to take a minute and acknowledge the outstanding customer service that Phil Braun routinely provides to the State

Communications Office. However, this past week he has gone above and beyond the call of duty.

“We replaced the carpets in the office this week. This was no easy task as all six dispatch consoles had to be disconnected and moved. We still had to be on the air and able to function. To minimize disruptions, the work was done between the 8 p.m. and 6 a.m.

“Phil was here for several hours the morning of the December 10th for a meeting. He was back at the center at 8 that evening and stayed into the morning. He returned at 10 the next morning to assure the network was working properly.

“While he was here and we were in tear up and tear down mode, Phil found new and better ways to make the best use of the equipment and space.

“We are lucky to have him on our team!”

We want to thank Phil for going above and beyond to provide extraordinary customer service.

Communicating with our internal and external customers is a key business skill for ITD employees. That’s why communication classes are a key part of our leadership training curriculum.

But Internal Review auditor Mary Quarles decided to independently improve her communication skills on her own time.

Mary recently earned the Toastmasters International Competent Communicator Award. To earn this distinction, you must prepare and present 10 speeches.

The program is self-paced, so those that earn the award show a high degree of

motivation and a strong interest in self-improvement.

I would like to extend my congratulations to Mary for this achievement and her desire to be the best employee possible.

Changes to how Port of Entry financial transactions are managed will increase efficiency and improve customer service as a result of a project completed recently by Financial Services, Revenue

Operations and Enterprise Technology
Services.

Steve Gossard (G-AWE-Surd.), Leonard
Campbell, Patty Harris, Carl Waite and
Lisa McClellan streamlined the POE point
of sale business transactions.

The improved process eliminates manual
entry of all POE transactions into the
motor carrier customer's ledger account

and saves approximately 40 hours of labor each month.

It also improves the timeliness of postings to customer accounts and the accuracy of those postings.

Thank you for the efforts to improve how ITD does business.

District 3 Engineer Dave Jones was complimented for his ideas to address the concerns of a Homedale developer.

Chief Operations Officer Jim Carpenter wrote “Dave and I met on site with the developer’s representative in Homedale.

Dave had positive ideas for the developer to get what he needed and still comply with our requirements - all at the developer’s expense. As you know this is

hard to do and Dave did an exceptional job.”

Governor Otter’s Communication Director Mark Warbis also thanked the department for the successful meeting.

Every holiday season ITD employees show their generosity. District 4 celebrated another successful year when it gathered for the 23rd annual Employee Christmas Party and Raffle on Dec. 10th.

The party raised \$4,160 through the raffle and auctions. Employees also donated several hundred pounds of food. This is the third consecutive year the fundraiser proceeds exceeded \$4,000. The money is divided among area charities.

District 3 also continued its tradition of collecting holiday toys for the annual Marine Corps. drive.

I would now like to introduce Chief
Deputy Stokes who will give his report.

Director's Board Report

February 2014

Thank you Chairman Whitehead. Good morning members of the Idaho Transportation Board. I am pleased to present my Director's report for February 2014.

Since the last board meeting, the department has made presentations to the House and Senate transportation

committees and the Joint Finance and Appropriations Committee or JFAC.

I want to thank Board Chairman Whitehead for introducing our presentation at JFAC and Chief Deputy Stokes who made the presentation when I could not due to illness.

At both meetings, legislators praised the department for delivering on the promises we have made. Most questions

focused on the condition of our roads and bridges and need for additional transportation funding.

Our budget will be set by JFAC on Friday, February 28.

Chief Deputy Stokes also made presentations to the transportation committees on the tremendous return on investment the state receives when it invests in safety projects.

I attended the January Capital For A Day in Richfield and the February Capital For A Day in Craigmont. At both meetings, there was a good discussion about the state's transportation needs and how to fund them.

Addressing the state's transportation needs is important 24-hours a day, seven days a week. When bad weather, or if a disaster strikes, we need to be able to

respond quickly, and effectively. Our operations, and our transportation system must continue with as little interruption as possible. I am pleased to report that during the last four years, the department has made tremendous progress in developing a continuity of operations plan.

This month, the department met a major milestone to insure if a disaster strikes it can quickly restore critical services.

Backup systems were successfully tested in January and February for e-mail, file servers, SharePoint, storage and several other IT management programs as well as the phone system.

The plan took two years to implement.

ETS manager Shannon Barnes credited Joel Drake and Dave Tolman for assisting in launching the project, Roland Williams

for managing it, and team members Bryan Smith, James Taylor, Hugh Massie, Bill Finke, Greg Christiansen, Brian Reed, Dave Fulton, Cameron Lowe, Brandon Carter and Chuck Carroll.

I want to thank the team for its effort in preparing ITD to continue to provide its services to Idaho if and when a disaster strikes.

As part of the department's succession plan, the first comprehensive manual for bridge evaluation was published this year.

Historically, the bridge inspection team has been a small group that has worked together for many years. The practices and procedures were understood. And there never seemed to enough time or need to write a comprehensive manual.

But to insure that this knowledge is not lost as the members of the team retire, Bridge Asset Engineer Kathleen Slinger led the effort to produce the manual.

Jake Legler edited the manual. It will be produced annually with appropriate updates.

The Women in Transportation honored the department along with the City of

American Falls and the Federal Highway Administration for a joint project to revitalize nine blocks of the downtown corridor.

Different funding sources were used for the project. ITD administered the project and provided engineering services.

The project completed Phase 1 of American Falls' long-range vision to attract industry, business, tourism, and

jobs to the community. The landscaping, street lighting, updated underground utilities have provided an aesthetically pleasing revitalization of the downtown area.

ITD is proud to be part of this important project and to be recognized by the Women in Transportation with its Innovative Transportation Solutions Award.

Idaho's winter maintenance performance system was featured in the Traffic Technology International Magazine in December of 2013.

The story, titled "Best Practices for Road Weather Management" featured innovations from 9 states.

Every month, I receive letters and emails complimenting our internal and external

service. I would like to highlight a few of them now.

I received this email from Gene Reep through Senator Elliot Werk.

“Several weeks ago, we were on our way to Riggins when our back, left tire went flat.

“Two Idaho Department of Transportation workers, Steve Momont

and Tim Gifford from the Craigmont office, stopped and graciously changed the flat tire for us.

“Because it was getting dark, and the spare was low on air, they followed us to the Winchester exit and then called on their cell phones to find the nearest garage that could fix the flat.

“Please pass on our sincere thanks and gratitude to the Department of Transportation.”

I would like to thank Steve and Tim for their outstanding customer service.

We received this voice mail message from Cheryl Costigan from Spirit Lake. She read the Spokesman Review newspaper article about Chief Deputy Stokes’ safety

presentation to the transportation
committees.

Chief Deputy Stokes showed the dramatic
improvement in safety that is gained
when highways are modernized.

She said “I read the newspaper story and
just wanted to call and give you a
personal thank you.

“Our north Idaho highways are so much better. I am much more comfortable driving on them than I was 20 years ago when the roads were a nightmare.

“The old goat trail (what U.S. 95 was labeled by former Governor Andrus) is becoming a distant memory.

“I really appreciate you and everything the department has done to make our roads better.”

Cheryl's message shows that the safety improvements we have made to what used to be "Idaho's Goat Trail" have made a real difference. Modernizing our infrastructure is important to the safety of all drivers, but there is another side to safety, and that is human behavior,

That is why the department will launch a statewide campaign this spring to warn against the dangers of texting while driving.

I would like to show you the public service announcement featuring Meridian resident Ashley Zumbrennan that will be airing statewide.

SHOW VIDEO

I would now like to introduce Chief Deputy Stokes who will give his report.

DRAFT Director's Board Report

March 2014

Thank you Chairman Whitehead. Good morning members of the Idaho Transportation Board. I am pleased to present my report for March 2014.

It's the time of the year that I like to take the opportunity to thank the staff for their hard work with our legislative presentations and for answering

legislative requests. Everyone does a great job in preparing and presenting accurate information – usually on short notice.

The Joint Finance and Appropriations Committee approved our budget in late February.

I am pleased to report that there were no material changes to our budget from the

Governor's request outside of the impact of the CEC recommendation.

Representative George Eskridge carried our budget. I would like to show a video of his comments at the hearing.

SHOW VIDEO

Governmental Affairs Manager Mollie McCarty will cover our other legislative activities in her report later in the agenda.

ITD has been involved with several meetings since the February board meeting including:

- An Associated General

Contractors/ITD forum in Post Falls

- The American Association of State

Highway and Transportation Officials

Legislative Briefing in Washington, D.C.

- And I met with the Department of Commerce and other state agencies to show support to an international company considering doing business in Idaho.

I also started my annual meetings with employees at the Headquarters complex.

There was an excellent turnout at all of the meetings. Most of the questions were about compensation and how more opportunities for career advancement can be provided.

I will begin meeting next month with district employees which will be done in conjunction with the board meetings

We continue to receive state and national recognition for our projects and programs.

Recently ITD was contacted by the Michigan Secretary of State Office after DMV employee Debra Hall made a presentation to the national commercial drivers license coordinators' conference.

Michigan commercial drivers license coordinator John Harris wrote to Debra stating.

“You really caught Michigan’s attention with your presentation on Idaho’s experience with the medical certification process.

“Michigan is interested in exploring Idaho’s approach some more and I am

wondering if you could provide some additional details.”

I want to extend my congratulations to ITD’s Driver Services team and to Debra for being invited to present our program at a national meeting and for the follow up attention it is bringing the department.

ITD along with consultant EHM Engineers of Twin Falls were recently honored with an American Council of Engineering

Companies 2014 Engineering Excellence
Award – or as they call it “the Academy
Awards of engineering excellence.”

The award is for the Buhl to Wendell right
of way surveying project. This project
included surveying over a railroad, canal,
and several river crossings, swamps and
steep rocky cliffs. It included aerial
mapping and a multitude of paperwork to
get the entire project described and
prepared.

Representatives from EHM Engineers and ITD will be recognized on April 14 in Boise for the state award. EHM Engineers will represent the department on April 29 in Washington D.C. at the national award conference.

Congratulations to the District 4 and EHM Engineers.

Every month, I receive letters and emails complimenting our internal and external service. I would like to highlight two of them now.

We recently received a thank you email from an Idaho resident stranded in a Florida airport with an expired drivers license. He wrote:

“I'm the guy who was stuck in Florida with a just-that-week expired drivers license.

“I couldn't rent a car, was scheduled to be the keynote speaker at three different events in three different locations around Florida and was stuck in the Tampa Airport, likely forever, as far as I could tell.

“I called the Idaho State Police who connected me with your department 8 minutes to closing time on Friday, Feb. 14.

“Naomi Rawls, Kimberly Moyer and Deanna Post came to the rescue!

“Though they were closing in 8 minutes, they said they'd stay open for me

"because it's Valentine's Day." They are all angels in my book.

“Naomi and her crew stuck with me to the end, and by 5:34 p.m. your time I was legal again, rented a car, and was on my way.

“There are not words enough to say thank you. All the employees I talked with at the DMV were kind, sympathetic, incredibly patient, and helpful above and beyond imagination. They all deserve a huge kudo for their service and extra mile.”

I appreciate their willingness to stay late and help a customer, especially on Valentine's Day.

We also received a letter from the City of Mountain Home thanking our Equal Employment Opportunity Office for its outstanding customer service.

Mountain Home Public Works Director Wayne Shepherd wrote:

“The City of Mountain Home recently applied for federal funding through ITD and on several occasions contacted Russ Rivera for guidance on complying with the Civil Rights Act of 1964.

“I would like to express my sincere appreciation of Russ’s professionalism, support, guidance, patience, availability and knowledge through the development of our plan.

“Russ is an example of the right person in the right position to provide Idaho communities with the necessary tools to understand and meet all of the Title VI compliance requirements as well as the appropriate steps in preventing discrimination within our community.

“I sincerely appreciate the invaluable service Russ and ITD provided to the City of Mountain Home.”

I want to thank Russ and his supervisor
Ken Angell for their outstanding service.

This winter season, both Idaho 21 and
U.S. 12, have been closed due to avalanche
danger and slides.

I would like to show you a video taken by
ITD of the most recent slide on Idaho 21
and some of the news coverage generated
by it.

SHOW VIDEO

The video and pictures taken of the slide have generated more visits to our Facebook page than any other single post.

I would now like to introduce Chief Deputy Stokes who will give his report.

Director's Board Report April 2014

Thank you Chairman Whitehead. Good morning members of the Idaho Transportation Board. I am pleased to present my Director's report for April 2014.

Before I begin my report, I would like to thank District Engineer Dave Kuisti for his hospitality as we visit his district.

The 2014 Legislative session ended on March 20th and already industry representatives and

legislators are saying next year's session will be focused on transportation funding.

Director of the Idaho Association of Counties Dan Chadwick and Idaho Trucking Association lobbyist Skip Smyser told Idaho Public Television about the importance of increased transportation funding to the economy. They both predicted transportation funding will be addressed in the 2015 legislative session.

Senator Bracket and Representative Palmer told a similar story on IdahoReporter.com after the session.

Representative Palmer said:

“The bottom line is if we don’t put more money into our transportation infrastructure soon, we may not have much of an infrastructure left.”

Similar comments have been shared by legislators across the state.

These comments demonstrate two things:

- That the case for increased transportation funding has been clearly made
- And that the legislature believes the department and its partners are efficient and effective and can deliver additional projects if the new revenue is approved

Now it is a matter of proposing the right funding formula that is agreeable to the good citizens of the state.

Last month I was invited to speak to the leadership of the Arizona DOT. They were very interested in how we are changing our culture at ITD.

I shared with them the steps we have taken so far, and how we measure the change. I explained that our cultural change was a three-step process.

First, we reestablished our accountability with the public and with the legislature. We put measureable performance goals in place for all employees.

Second, we realigned the department to remove layers of management and get more people on the front lines, which dramatically improved customer service.

And third, we implemented a new strategic plan. I explained how the strategic plan ties every employee's performance measures directly to specific goals in the strategic plan.

I shared with them the lessons we learned, and then explained how the Arizona DOT could

change their culture for the better just as we have done at ITD.

ITD's successes and cultural change are being noticed by many agencies, and the Arizona DOT appreciated the guidance we were able to give them.

On April first, Pete Hartman at the FHWA invited me to speak to the western meeting of the state Federal Highway administrators in Boise about changes we have made at ITD to improve our culture and where we are going from here.

I described how we have started to change our culture and become a more effective state agency.

I also discussed federal transportation funding and the importance of this funding to Idaho. I have reduced our message to what I call The four F Words, which are Funding, Formula, Flexibility, and Fast

First we need to focus on **funding**. We need to be certain that Idaho's federal funding remains stable.

Second we need to focus on keeping the current distribution **formula** the same in federal funding programs.

Third, we need to continue to push for increased **flexibility** in how we spend federal funds. We made good progress in the last bill, but need to keep working on it.

And fourth, we need to move **fast** to fix the federal trust fund and capitalize on the momentum building for increased state revenue.

The Highway Trust Fund will run out of money sometime this summer. We need to fix this fast to avoid shutting down contractors.

ITD's executive team met with the leadership of Boise State University on April 4th to discuss a continued partnership between our two agencies, and to brainstorm ideas for future endeavors.

This week we started sharing with our employees the results of our second cultural survey. Training Manager Tony Loomer, members of our Leadership Team, and Jim Johnson with Level

Three Performance Solutions have been meeting with employees and sharing the updated results, what they mean and getting feedback.

Tony Loomer and Jim Johnson will facilitate the meetings, but the team members, who are District Engineers or Division Administrators, will do the majority of presenting.

They will address department-wide results as well as the results that are specific to their particular areas.

I would now like to show you the video we have been using to introduce the presentation:

SHOW VIDEO

Chief Human Resource Officer Brenda Williams will discuss the schedule and the organizational culture survey in more detail as part of her report.

On April 25 I will be representing the department at the Capital for A Day event in Boundary County

at Bonners Ferry, along with District 1 Engineer Damon Allen.

Later this month, I will be meeting with other WASHTO CEOs. We will be discussing federal reauthorization and the importance of speaking with one voice among the western states as the funding debate moves forward.

In addition to the increasing interest other agencies have in our cultural-change process, I am pleased to report that we continue to receive

national recognition for our projects and programs.

ITD will be receiving a Federal Highway Administration Excellence in Right of Way Award for its efforts in providing wetland mitigation on a project adjacent to Coeur d'Alene Tribal grounds. ITD is receiving the award in the “innovation” category.

The award cites ITD Right-of-Way Appraiser Greg Graybadger's efforts in developing an innovative way to appraise property—not only for its

market value—but also for its value as wetland mitigation.

The FHWA developed this biennial awards program to honor those who excel in streamlining or improving property acquisition while ensuring that the rights of property owners and tenants are protected.

Greg recently left the department to join the FHWA. Right of Way employee Andrew White will represent the department at the awards ceremony later this month in Salt Lake City.

I recently received a message from Boise County Commissioner Jamie Anderson about one of our employees, Ken Clausen, that I would like to share with you. She said:

“I wanted to let you know how much I appreciated Ken Clausen’s review of the design documents and attending the meeting for the Crouch Bridge final design review. He was well prepared and provided great comments. His efforts spent on behalf of Boise County will truly result in a better project. Idaho Transportation’s participation is instrumental to our program

success. Thank you again!”

Dan Etter, Aviation Safety Manager in the Division of Aeronautics, sent a note to District 3, thanking them for their teamwork, stating:

“District 3 striping crew adds Aviation Safe Taxi Line to tarmac. Superior work by a superior team. Thanks to Brad Patterson and his team from District 3 for an outstanding job on April 9th.”

The story behind this thank you note is that the striping crew at District 3 helped the Aeronautics staff by adding beads to the striping paint to make the taxi line on the airstrip more visible to pilots at night.

I have a similar letter from Alan Frew in DMV, thanking the Governmental Affairs staff for their assistance and hard work during the legislative session. Alan ended his thank you note with the following:

“Communication was excellent. I’ve never seen us be more transparent and responsive as an agency. We are deeply appreciative of all the hard work on our behalf.”

We continue to receive many compliments about the good work our staff does, and it shows that our work to improve customer service is working.

As you may have noticed, Chief Deputy Scott Stokes is not here with me today. He is in Boise chairing the Idaho Traffic Safety Commission

meeting. The safety commission is created by statute and advises ITD on investment strategies for innovative, results-oriented solutions to eliminate fatalities and reduce serious injuries from motor vehicle crashes.

We look forward to Scott being with us next month. I will now introduce Brenda Williams, Chief Human Resources Officer, who will give her report.

Director's Board Report

May 2014

Thank you Chairman Whitehead. Good morning members of the Idaho Transportation Board. I am pleased to present my Director's report for May 2014.

First I would like to thank District Engineer Ed Bala for his hospitality this week as I visited with employees.

I would also like to thank him for yesterday's excellent tour of the district.

WASHTO CEO MEETING

I attended the WASHTO CEO meeting last month. There, I learned that most of WASHTO states share the following three priorities:

The first is succession planning. Many states are facing the same issues as ITD, with us having the potential to lose 50 percent of our staff over the next five years.

At the Texas Department of Transportation, 40 percent of their staff is eligible to retire right now, and 50 percent of their staff has less than 10 years of service.

The second priority is the need for increased state funding. All WASHTO states are looking for ways to increase state transportation revenues. Wyoming recently enacted a 10 cent per gallon gas tax increase.

The third priority is the need for stable federal funding. All states agree that with the current federal transportation funding bill expiring at the end of this September, and with funds for the current bill running out sometime this summer, immediate action is necessary at the federal level.

Since my last report, the Administration, the U.S. House of Representatives, and the U.S. Senate have advanced proposals. Let me

provide some details on the administration's proposal first, then I will cover the House and Senate bills.

On April 29, the Obama Administration proposed a four-year, \$302 billion surface transportation reauthorization bill, called the "Grow America Act."

The act includes \$87 billion in additional funding over four years. The increase would come from General Fund money transferred to a renamed "Transportation Trust Fund."

The transferred funds would be generated by as-yet unspecified tax reform legislation.

The Grow America Act calls for a 22 percent increase in highway and safety funding, and a 70 percent increase in non-highway funding, but does not follow the traditional four-to-one highways to transit funding ratio.

The Act calls for a significant increase in discretionary program funding. For Idaho, the discretionary funding would be less than the guarantee of 0.74 formula program share, down to and including no funding at all in discretionary programs such as TIGER.

The Grow America Act mandates that states have state freight plans and freight-advisory committees as a precondition for some funding, including formula funding.

It also calls for a new, \$10 billion freight-formula program based on volume and value of multi-modal freight.

Each state is also required to have a financial plan for their statewide transportation improvement program.

The bottom line is that the administration's proposal will likely reduce Idaho's share of overall formula and non-formula distribution.

Now let me share what the House and Senate are working on.

The House of Representatives Appropriations Committee approved a comprehensive transportation appropriations bill on May 7 that retains funding at the current level, with no inflation. The appropriations bill does not yet have authorizing legislation to allow it to proceed.

U.S. House of Representatives leadership reportedly considers a short-term extension as the most-likely course of action.

Within the U.S. Senate, multiple committees have jurisdiction over modes and programs in transportation.

The Senate Finance Committee held a hearing on May 6 to address several issues, including financing tools for reauthorization.

The Senate Environmental and Public Works committee has scheduled an authorization bill for markup on May 15, today. This bipartisan bill is considered to be the most promising of the three proposals.

The initial analysis of its potential effects on Idaho shows:

Funding and apportionments remain at FY14 levels (\$44.2 billion) through FY20, with a small increase for inflation, for a total of \$265 billion over six years, from 2015 to 2020.

The bill proposes improvements in project delivery requirements through regulatory relief from the National Environmental Policy Act, or NEPA, as well as flexibility for rural systems and Congestion, Mitigation, and Air Quality, or CMAQ, requirements.

It also creates a new program for freight, delivered by formula to the states.

The bill proposes two new discretionary programs. One is called **Projects of National and Regional Significance**, to be funded at \$400 million per year. The other is called **Fixing and Accelerating Surface**

Transportation, to be funded at \$125 million per year.

The bill also creates four new national performance safety measures for non-motorized users.

We will keep a close eye on the reauthorization process and keep you advised as things progress.

CAPITAL FOR A DAY

The April Capital for a Day was held in Bonners Ferry. I attended along with District 1 Engineer Damon Allen. Only one issue came up involving transportation, and that was a speed limit at a traffic signal on U.S. 95

near the airport. The May Capital for a Day has not yet been scheduled.

MERIDIAN GROUNDBREAKING

Board Chairman Whitehead emceed a groundbreaking ceremony for the I-84 Meridian Interchange last month. Board member DeLorenzo also represented the department.

Lt. Governor Little and former Governor Kempthorne were the featured speakers at the event. I would like to thank Chairman Whitehead for representing the board and department at this city-sponsored event.

DMV RECIPROCITY AGREEMENT

Representatives of the Republic of China (Taiwan) and ITD formally signed a reciprocity agreement recently in the Governor's Office that enables citizens of both countries to obtain a driver's license without taking a driving skills test — if they already have been tested and licensed in their home country.

The Republic of China is Idaho's fourth largest export market. This agreement is another step in making it easier for Idahoans and Taiwanese from the Republic of China to trade and invest in each other's countries.

Idaho is only the second state to enter into a reciprocity agreement with Taiwan. Last year, Idaho entered into a similar agreement with South Korea.

At the ceremony, Governor Otter cited the agreement as the type of projects needed to support his new “Accelerate Idaho Economic Development Initiative.”

Accelerate Idaho is the next step in the Governor’s economic plan after his Project 60 initiative met its goal of growing the state’s economy to more than \$60 billion annually.

The plan includes a “Rapid Response Team” that is a “one-stop-shop” representing nine

state agencies that are often directly involved in business expansion projects. ITD is a member of that team and is represented by Jim Carpenter.

Idaho was among the first states to offer its driver's license knowledge tests in American Sign Language without the need of a translator.

Deaf and hearing-impaired people can take the tests using the automated testing stations located at the Sheriff's Offices throughout the state.

In addition to American Sign Language, the written-knowledge test is also available in ten

languages. There are an estimated one-half million people using American Sign Language in the U.S.

CULTURAL STUDY

During the last few weeks, we have been sharing with employees the result of the latest cultural study.

This year we invited all employees to participate in the survey. We saw some incremental growth toward the optimal culture we originally mapped out. In addition, we asked the employees to show us their picture of what the ideal culture would look like and their map closely aligned with the

one created by executive and senior leadership in 2012.

This tells us that we are on the right track for increasing employee engagement and improving ITD performance.

The survey clearly indicated that we are improving the culture of the organization, and that employee morale is improving.

What does this mean? It means we are moving closer to a culture that values collaboration, cooperation, teamwork, open communication, trust, and respect.

We will have a more detailed report for the transportation board in early summer.

Over the next two years we will be working closely with every supervisor and manager in the organization to help them pinpoint specific things they can do to engage more effectively with employees. We will also be working with all front-line staff to help them clearly understand their role in moving ITD toward an ideal culture.

Where we saw small, incremental growth from 2012, we expect to see significant gains over the next two years as we continue to develop a more highly skilled and engaged workforce for ITD's future.

Our direct feedback is proving this. Recently Driver's Services employee Lisa Helton wrote thanking Chief Deputy Scott Stokes for attending the DMV monthly supervisor's meeting. She wrote:

“Thank you for listening to our department's issues. It's very much appreciated and feels good to be heard.”

DMV employee Debbie Whitefield complimented Chief Deputy Stoke's column about what cultural change is and why it is important. The column is sent to all employees and is posted on the department's intranet portal.

She wrote: “Thank you so much for your
Direct from the Chief Deputy, dated May 15th.

I found your message to be inspirational and
delightful.”

COMPENSATION ANNOUNCEMENT

Last month we announced the department’s
compensation program. The employees were
genuinely grateful — and appreciative of the
commitment this represents to them.

The following letter was received from
District 1 Transportation Technician Shannon
Pooler and represents the reaction I have
been receiving from employees. Here is an
excerpt from his letter:

“I would like to take this opportunity to personally thank you for all your hard work and assistance in making ITD a great place to work. Your honesty, reliability, and sincerity are not only noticed by me but by my co-workers as well.

I am going on my fifth year of employment with ITD and have seen many great changes.

The compensation package has increased immensely and I am noticing that we have greater motivation, employees are more confident, and there is an atmosphere of teamwork and cooperation among employees.

This was not the case when I hired on four and one half years ago. As you know, there was a high rate of turnover in the past. With the compensation packages you have provided for us, this is becoming less frequent. In fact, I have many private citizens asking about job possibilities with ITD. I am very enthusiastic in my description of what it is like to work for ITD.

In closing, your hard work, vision, and concepts are making this job one of the most enjoyable ones I have ever had.”

I would now like to show the video we used to announce the plan.

SHOW VIDEO

AWARDS

In each of the monthly reports I have made to the board in 2014, I have presented a list of individual honors and awards the department has received.

I am pleased to say that May is no different. District 6 Land Surveyor Rayce (race) Ruiz (roo-is) received the 2014 Distinguished Service Award from the Idaho Society of Professional Land Surveyors this spring.

Ruiz is a 27-year employee of District 6, where he performs boundary surveys of

public right of way and private property for project development.

Ruiz represents ITD in the National Geodetic Survey Height Modernization Program, helping Idaho keep current on federal survey programs. He served as an agreement administrator for the Idaho Geodetic Advisor Program and is ITD's contact with the geodetic coordinator at Idaho State University. Congratulations to Rayce.

A pair of young engineers with ITD experience recently placed at the top of a weekend-long engineering competition involving 19 regional colleges and universities.

Lauren Nuxoll (nux-all), currently a District 3 intern, finished in first place as leader of a team from Boise State University, while Kyle Staab (STAUB), a summer intern at District 2, co-led a second-place squad from the University of Idaho in the ASCE Pacific Northwest Conference.

The event was held in April at Portland State University, with tasks and skills tested such as Environmental, Surveying, Concrete Canoe, Steel Bridge, and presentation of a technical paper. Each team of four to five people had to survey a polygon to solve for area and perimeter.

Staab will return to ITD for another summer of surveying May 19. Nuxoll graduates in May from BSU and has accepted an offer as an engineer in training for Kittleson and Associates in Boise. Kyle graduates from the U of I in December and we hope he will consider a career with the department at that time.

The U.S. 95 Sand Creek Byway received the Region 8 American Society of Civil Engineers' "Project of the Year."

The Byway project was then considered for the organization's national "Outstanding

Engineering Achievement Award” but unfortunately was not selected.

Two ITD projects were selected for awards last month from the Idaho Chapter of the American Society of Civil Engineers.

The Outstanding Civil Engineering Award was given to the Interstate 86 Chubbuck Diverging Diamond Interchange project.

The reconstruction of Idaho 44 from Linder Road to Ballantyne Lane was also honored with the organization’s “Engineering Excellence Award.” It was ITD’s first design-build project.

Congratulations to the ITD employees and private partners on these awards.

ITD's communications efforts won four awards from the Idaho Press Club.

Bruce King took first place in Feature Writing while Reed Hollinshead won first place for news release writing. Bruce also received the second place award in that category.

This is the third time in four years ITD has won the top spots in both writing categories.

This is the fourth year in a row Bruce has received an award, and the fifth consecutive year for Reed.

Adam Rush, Tony Garcia and District 3's Mark Campbell also received an "honorable mention" for the Boise Broadway Bridge project website.

ITD's communications efforts have won 41 Idaho Press Club awards in the last five years. I would like to congratulate the entire communications team for their impressive accomplishments.

I would now like to introduce Chief Deputy Stokes who will give his report.

Director's Board Report

June 2014

Thank you Chairman Whitehead. Good morning members of the Idaho Transportation Board. I am pleased to present my Director's report for June 2014.

Today I will be presenting an abbreviated report. All the members of the Executive Team will be reporting and I will be making another presentation after those comments.

First I would like to thank Acting District Engineer Dave Jones for his hospitality this week. I will be visiting with District Three

employees once the new District Engineer is in place.

Since the last board meeting, I also continued my employee visits in the Headquarters' complex. I have been very impressed with all of my visits to date. Employees are implementing performance measures specific to their areas across the department.

Everywhere I go I see performance score boards posted. I believe the Board members would also be impressed. Performance measuring is now part of the ITD culture.

Earlier this month, I attended the AASHTO CEO meeting. There, we discussed a number

of items mostly focused on two topics; revenue and the new AASHTO Strategic Plan. One of the more useful presentations was by Paul Trombino, Director of the Iowa Department of Transportation. His agency developed a database/computer program which tracks all goods exported from each of Iowa's 99 counties. For each county, they now can determine what goods are shipped, what the value of these goods are, where they are going, and the transportation costs to ship them. They also know who the exporter is, the shipping company, and the receiver of the product. In talking to Mr. Trombino after his speech, he told me that the Iowa DOT paid to develop the software and owns the code. He

said they would be willing to work with Idaho to develop a similar database.

Every month we receive compliments from citizens and our government partners about the service our employees provide.

Today, I have chosen to highlight just one because of how strongly it exemplifies our strategic plan goal to provide the safest transportation system possible.

Idaho State Police Lieutenant Chris Weadick (Wee-dick) recently complimented District 6 employee Mike Harvey.

He wrote:

“I wanted to pass along an atta-boy about an employee that took action today and undoubtedly saved someone’s life.

Mike Harvey, from the Idaho Falls maintenance yard, was traveling westbound on U.S. 20 in his dump truck when he saw a pickup in front of him weaving from fog line to fog line.

He called State Communications and asked them to contact the Idaho State Police.

Given the extreme danger the pickup driver was posing to the other motorists, Mike decided to pass and get in front of it.

Once in front of the pickup, the driver continued to weave across the lanes of travel. Mike was able to slow his dump truck down to the point the pickup stopped in the road.

We had a trooper arrive on-scene just as they were stopping and got the pickup off the highway and onto the shoulder.

The driver was arrested for DUI and booked into the Bonneville County Jail.

Mike did a great job of making a split decision and taking action on a situation that could have had grave consequences.

If a crash would have been caused by the DUI driver, there is no doubt that either she, or the motoring public would have been injured.

I commend Mike for keeping calm and defusing a very dangerous situation.

Please pass on our thanks.”

I would also like to compliment Mike Harvey for his quick thinking and proactive response.

A semi-truck crashed into a median pillar supporting the 850 West Overpass at milepost 205.5 on Interstate 84 west of Burley at approximately 5:00 a.m. Friday, June 13, killing the driver and causing an interstate closure. Both westbound lanes were closed immediately after the crash, and traffic was diverted at milepost 208 on Idaho highways 25 and 27 through Paul, reconnecting at milepost 201.

ITD bridge inspectors arrived late in the morning to assess the extent of damage. The direct impact sheared off a bridge column at its base and left it only partially attached at the pier cap. ITD crews worked throughout the day to build a support to replace the

concrete column that was destroyed. Both westbound interstate lanes were reopened by 7:30 p.m. that same day.

I want to thank District 4 Engineer, Devin Rigby and his staff for all the work they did to secure the scene. The traffic delays, impact on commerce and the inconvenience on residents of Paul would have been far greater if it hadn't been for the quick decisions of District 4 crews. This was a clear example of how experience and hard work made a huge difference in overcoming tragedy.

Mr. Chairman, this concludes my Director's report.

I would now like to turn it over to the members of the Executive Team or the remainder of the Director's report. I believe that Dave Jones will be substituting for Chief Operations Officer Jim Carpenter. But first, I would like to introduce Chief Deputy Scott Stokes who will kick off the Executive Team member reports.

Director's Board Report

July 2014

Thank you Chairman Whitehead. Good morning members of the Idaho Transportation Board. I am pleased to present my Director's report for July 2014.

First I would like to thank District Engineers Damon Allen and Dave Kuisti for their hospitality last month as I toured Districts 1 and 2 and visited with employees. Also for the great tour yesterday.

I also met with employees from the Division of Motor Vehicles and the Division of Administration this month. I learned from

these visits how we can improve – but I also received many thanks for the internal raises approved by this board and the general direction of the department.

I attended the Governor’s Cabinet meeting on June 24.

I updated the cabinet on the status of the 129,000-pound truck route applications. I also reviewed the results of our recent organizational cultural study.

The Governor and cabinet are interested and excited to learn more about our efforts to improve the department’s culture.

Our cultural improvement efforts are progressing on schedule, but they do not happen in a vacuum. That is why I will be traveling to New Mexico next week to attend WASHTO 2015. Board member DeLorenzo will be representing the board. The WASHTO conference provides an excellent opportunity to learn what other states are doing to improve their transportation systems and their internal operations.

A small group of ITD employees will also be attending to learn how the conference is held and to promote WASHTO 2015 in Boise.

Chief Administrative Officer Charlene
McArthur and Information Technology

Administrator Shannon Barnes will be presenters at the conference.

Now I would like to share with you some of the things we are doing internally. I am pleased to report that all of this year's employee performance reviews were completed by June.

This allows employee performance plans to be consistent with and support the goals of the strategic plan.

In addition, the performance planning system requires supervisors to interact monthly with employees rather than wait for a single face-to-face meeting.

This improves employee performance, keeps our projects on time and on budget, and is a critical step to making us the best transportation department in the country.

All individual performance plans are tied directly to the strategic plan. The Executive Team planned to provide an update on the strategic plan to the board this month, but not all members could be present. We will give that presentation at the August board meeting.

One of the strategic plan's three goals addresses developing employees, which is why I am pleased announce the hiring of one

of our newest employees, Amy Revis. Amy is the new District 3 Engineer. She graduated from Washington State University in 1982 and immediately began a 31-year career with the Washington DOT.

Her experience includes working as a construction engineer, managing the state's first design-build contract, and developing an extensive environmental commitment process.

She will begin working July 21st.

I also want to thank Dave Jones for serving as both an acting District Engineer and the Administrator of the new Division of

Engineering Products and Plans for the last six months while we searched for the right person to fill his previous position.

One of Dave's fellow division administrators, Alan Frew, has something new that you may find interesting. DMV has developed a free mobile application to test a person's knowledge of the rules of the road, and their ability to pass Idaho's driver's license test.

The application is a practice test, which consists of 32 multiple-choice questions, and provides results as soon as the test is completed.

Each practice test is different because the questions are pulled randomly from a large bank of questions.

The application is available for Apple, Android, and Windows mobile devices. If you are interested in seeing how the new application works, we can show it to you during the break. It is an excellent use of technology that allows us to increase our level of customer service. I think we can all remember the days when we were preparing to take our driver's test, and how important it was for us to answer those questions correctly.

Customer-service improvements like this are an important part of what we do at ITD. And every month we receive compliments from citizens and our government partners about the services we provide.

This month we received a letter from the Director of the Idaho Department of Agriculture thanking ITD for its efforts in preventing the quagga (**kwah-guh**) mussel from fouling the state's rivers and lakes.

In 2013, ITD helped prevent the transport of at nearly 600 watercraft that had plants, mussels, or embryonic-stage mussels into or through the state.

Director Gould writes:

“I would like to thank ITD for its continued and invaluable involvement in Idaho’s invasive species program.

“Your support in assisting with the watercraft inspection program helps protect Idaho’s economy and natural resources.

“Invasive species cannot be kept out of Idaho without your ongoing support and never-ending diligence.”

Director Gould’s letter reflects a department-wide commitment that includes district and

Port of Entry personnel, and I want to thank all these employees for this effort.

Another of ITD's major department-wide commitments is safety. This month, the Office of Highway Safety is kicking off a new safety campaign targeting texting and driving.

The campaign will use the Internet, television commercials, posters, and billboards.

The first electronic billboard will be set up on I-84 next week, with many more to follow throughout the state in the coming weeks and months.

The Office of Highway Safety will air the following 30-second commercial on television.

It features a young woman named Ashley Zumbrunnen (zum broon en), who was texting “I love you” to her husband.

Texting those three short words caused her to look away from the road for a few seconds.

She crashed her car and was badly injured, breaking her neck, and permanently losing the use of her right leg and arm. Her life was changed forever, and she deals with the consequences of that fateful text every day.

Ashley has a powerful message which she shares personally with young people and adults across the state.

She worked with our department to make this television commercial to further spread message, which I would like to share with you now.

(play video here)

I would now like to introduce Chief Deputy Scott Stokes who will give his report.

Director's Board Report

August 2014

Thank you Chairman Whitehead. Good morning members of the Idaho Transportation Board. I am pleased to present my Director's report for August 2014.

On August 12, Interstate 84, from Idaho's Oregon border to the Utah border, was officially designated the **Vietnam Veterans Memorial Highway** at a ceremony on the Statehouse steps in Boise.

The Vietnam Veterans Memorial Highway begins in Portland, Oregon, and ends on Idaho's border with Utah.

The Oregon portion of the Vietnam Veteran Memorial Highway was designated by the Oregon legislature in 2013.

Pete Oaklander is commander of the 509th Chapter of the **Military Order of the Purple Heart**. Pete was our civilian contact for the ceremony, and he praised District 4 staff for their cooperation and for producing the memorial highway signs.

Mr. Oaklander specifically thanked:

- District 4 Traffic Services Foreman
Carl Horn
- **Larry Bolton**, the Senior Transportation Technician for the sign crew

- And Public Information Specialist
Nathan Jerke.

I want to thank District 4 and in particularly Carl, Larry, and Nathan for their outstanding efforts to honor the service and sacrifice of our Vietnam Veterans.

In July, staff from ITD traveled to Albuquerque, New Mexico, to attend the 2014 WASHTO Conference. Board Member DeLorenzo represented the Idaho Transportation Board.

The New Mexico DOT presented an outstanding conference that provided information about national and state

transportation issues and opportunities to improve.

A small group of ITD staff members attended the conference to learn how the event is managed and organized, because they are the ones who will be organizing the WASHTO 2015 Conference in Boise.

They are already using what they learned in Albuquerque to develop plans for a great conference here in Boise next year.

I would like to share with you the video we showed at the conference to promote WASHTO 2015 in Boise.

VIDEO

Last month, Board Chairman Jerry Whitehead and Chief Administrative Officer Charlene McArthur traveled to British Columbia to attend the Pacific Northwest Economic Region (or PNWER) conference.

Chairman Whitehead received many compliments for his presentation on transportation challenges in the Pacific Northwest.

Along with his presentation, he led a group discussion on the topic.

I would like to thank Board Chairman Whitehead for addressing the region's transportation challenges, and for representing the board and the department at this important conference.

Chief Operations Officer Jim Carpenter and I attended the Idaho Association of General Contractors summer conference in late July. Hearing directly from our private sector partners is always valuable and this meeting was no exception.

The conference allowed us to resolve a number of issues. Materials Construction Engineer Karen Merrick was instrumental in helping us do so.

District 6 Engineer Kimbol Allen represented ITD at Capital For a Day, held last week at the Clark County Fairgrounds in Dubois.

He spoke about the seven ITD maintenance employees who serve in that community.

The major issues discussed at the event were the future of an experimental sheep station, water rights, and job growth. Jobs and economic activity are critical performance measures in our strategic plan and transportation is a key component of job growth in the DuBois area.

The Executive Team will be providing an update on the strategic plan later in the agenda.

Last week we held the 2014 ITD Leadership Summit in Boise. The summit's theme was: **Building the Culture for a Better Idaho.**

160 ITD employees attended the summit. Vice Chairman Coleman and Board Member DeLorenzo represented the Idaho Transportation Board at the Summit. Chairman Whitehead was also able to attend for part of the day.

The leadership summit comprised of many interesting speakers, including:

- Jeff Sayer, Director of the Idaho Department of Commerce
- Gary Raney, Ada County Sheriff
- Bryan Harsin, Head Coach for the Boise State football team
- And Bob Kustra, President of Boise State University

The leadership summit was an all-day event designed to teach ITD's leaders how to improve the culture and performance of the entire department. The attendees were trained to become, and I quote, "Agents of Change."

Their mission is to make ITD the best transportation department in the country. Here is a video showing highlights of the Leadership Summit

VIDEO

I will now turn this over to Chief Deputy Scott Stokes and the other members of the Executive Team for their portion of the Director's Report.

Before I close out this month's board report completely, I have one more video I would like to show.

Last month I introduced Amy Revis, the new District 3 Engineer. If I remember correctly, she is a Washington State Cougar.

Here is a short video she and Board Member Vasser might enjoy.

This now concludes the August Director's Report to the Board. If there are no questions or further discussion, with the permission of the Board Chair, we can move on to the next agenda item – the Executive Team's annual update of the strategic plan.

Director's Board Report

September 2014

Thank you Chairman Whitehead. Good morning members of the Idaho Transportation Board. I am pleased to present my Director's report for September 2014.

I recently attended the WASHTO Committee on Highway Transport conference. The meeting was hosted by ITD and held in Boise.

I serve as the executive sponsor of the committee.

Sixty-five delegates from 12 states attended the meeting. Both public and private sectors were represented at the conference.

The conference included a tour of Western Trailers, which was also a sponsor. Attendees saw first-hand how different regulations in various states resulted in different trailer configurations and added expense.

I am pleased to report that Idaho received \$500,000 in federal emergency funds to repair the Middle Fork Boise River Road. This road provides the year-round access to Atlanta. It was washed out in August by a flash flood.

ITD facilitated the application for the emergency funds and will be involved administratively in the project. Repairs will be coordinated by the Local Highway Technical Assistance Council and be completed this fall.

In addition to the Quick Release funds, ITD applied for emergency relief funds from FHWA to complete permanent repairs.

As you know, we are constantly looking for ways to stretch our dollars and operate more efficiently.

Among the benefits of ITD's realignment, is an emphasis on returning decision-making

closer to where the work is being done. We encourage employees to explore ways of doing their job better, which is exemplified by an innovation by District 5 employee David Petersdorf.

David's time- and cost-saving innovation was featured as a front-page story in Pocatello's Idaho State Journal on September 10th. Sue Higgins will pass out copies of that story to the board during the morning break.

David is a transportation technician principal who supervises a D5 painting and striping crew that works from Bear Lake to Salmon.

He believed there was a better way to stripe highways. On his own, he redesigned a new bead nozzle that allows for a decrease in operating pressure from 7.5 psi to 4 psi. His redesigned nozzle delivers fewer beads in a more concentrated pattern on four-inch painted stripes.

David's innovative solution means that painting material lasts longer and crews do not have to stop and refill as often.

This technology resulted in savings of \$52,000 for District 5 and \$60,000 in District 6 in 2012 alone. I would like to congratulate David on his innovative thinking **and** his

recent selection as the department's 2013
"Maintenance Person of the Year."

ITD's first design-build project,
reconstruction of Idaho 44 from Linder Road
to Ballantyne Lane, recently received another
award.

It won top honors in the Intermountain
Division of the Engineering News Record
Mountain States 2014 competition. It was
selected as the best project in the Small
Projects category, for projects under \$10
million.

I am pleased to report that ITD has received a lot of positive feedback from the public on the project.

Mary Quarles, a principal auditor with ITD's Office of Internal Review, received great reviews for a presentation she recently delivered at the AASHTO Audit Subcommittee Annual Meeting.

Representatives from the Georgia, Montana, Wyoming, Oregon, Kentucky, and Alaska DOTs commended her for the presentation about internal and external audit functions of state transportation departments and other transportation-related organizations in the country. I would like to thank Mary for

representing the department and its innovations so well.

It's state and county fair season in Idaho – and for the 13th year in a row, ITD provided valuable DMV and safety information to attendees of the Western Idaho Fair in Boise.

ITD employees answered questions and provided fairgoers with highway maps, brochures and information about the Idaho State Parks Passport program.

Office of Highway Safety and Federal Highway Administration representatives demonstrated the tragic results of not

buckling up by using a toy “Barbie” car and eggs. Their demonstrations broke 1,328 eggs.

FHWA Division Administrator Peter Hartman sent me a letter thanking ITD for its participating partnership at this year’s fair.

Others involved included Idaho State Police, Skills Training Advantage for Riders (STAR) and the Local Highway Technical Assistance Council.

I want to thank the staff that participated in this valuable public outreach effort.

The new Idaho 16 extension and bridge opened August 15. Nearly 300 people helped

celebrate the completion of a massive new bridge across the Boise River and the extension of Idaho 16 south from State Street (Idaho 44) to a connection with Chinden Blvd. (U.S. 20/26).

Board Member Julie DeLorenzo emceed the ribbon cutting. The event began with skydivers and featured speeches by Governor Otter, Lieutenant Governor Brad Little, Idaho State Senator Chuck Winder and former Idaho State Senator Kathy Skippen.

I would like to thank Member DeLorenzo for her extensive role in the ceremony and for representing the board.

We have a short video I would like to show of the ceremony.

SHOW VIDEO

I would now like to introduce Chief Deputy Stokes who will give his report.

This concludes the September Director's Report to the Board.

Director's Board Report

October 2014

Thank you Chairman Whitehead. Good morning members of the Idaho Transportation Board. I am pleased to present my Director's report for October 2014.

On September 23, I gave a presentation to the Nampa Rotary. Rotarians use their service and expertise to improve the quality of life and the economy of their communities.

In my presentation I showed them how the Idaho Transportation Department uses our service and expertise to improve the transportation system and the state's economy.

More specifically, I shared how we implemented nine initiatives that changed ITD from a passive/defensive organization that had lost its credibility with the public, to an award-winning agency that is leading the way for other transportation departments across the country.

I also shared how those nine initiatives are enabling ITD to provide a much higher return on investment to the taxpayers.

On Friday of last week, I made a similar presentation to the Idaho Association of Construction and Engineering Companies, or ACEC in Sun Valley.

The purpose of this presentation was to show them how ITD's nine initiatives can make government agencies more accountable and productive.

I also shared with them what the initiatives can do for ACEC, including making ITD a stronger, more customer-focused agency for their members to work with, and that the initiatives are a proven, successful model their members can use to improve their own organization, and their bottom line.

I also shared with them the importance of the employee-development programs we have put in place here at ITD. It was very well received.

These employee development programs are important to the department's future, and I am pleased to report that, as part of ITD's employee-

development program, the Executive Team has begun teaching leadership classes.

This is an important feature of ITD's succession plan, which is designed to address losing 50 percent of our most experienced employees in a five-year period.

The goal is develop the leadership skills and abilities of the employees we have, because they are the people who will be ITD's future leaders.

On October 8, I taught the department's first class on Organizational and Mission Awareness. The purpose of the classes is to show every person at ITD exactly how their individual job ties to ITD's goals.

To show the department's deep commitment to this training program, we have developed a unique way of teaching the classes.

First, I taught the class to the senior leadership team. Then the senior leadership team and I will teach the class together to the people directly reporting to them.

Then each member of the senior leadership team and each direct report will teach the class together to the front line level.

When the training is complete, every ITD employee will have attended the class, which was taught to them by their direct supervisor, and their supervisor.

Having Executive and Senior Leadership members teach the classes demonstrates to the employees that the department is deeply committed to this training program. Teaching these classes in-house holds down costs.

At the end of each class, every attendee will be able to answer the question of how their daily tasks tie directly to the department's vision, mission, and strategic goals.

I will be teaching the classes in Districts five and six next Monday, October 20.

We will finish all of the classes in the districts by Christmas, and will begin providing classes at headquarters after the first of the year.

In February, Brenda Williams will begin teaching classes on interviewing for the right hire. The purpose of these classes is to teach supervisors how to improve their interviewing skills, which will help them identify and hire the best candidates for job openings.

On September 30, ITD invited Gartner Incorporated to facilitate a workshop designed to gather input on the department's current and future technology needs.

Gartner Incorporated is the world's leading information technology research and advisory company.

About 50 ITD Technology process owners and their customers attended the workshop including Executive Leadership, District Engineers, Senior Leaders, and Key Business Owners in all ITD divisions.

The information gathered at the workshop will provide a starting point to gain a common understanding of how business drives technology within the department.

It will also show where ITD wants to go in the future regarding technology.

Our intent is to link technology investments to the department's strategic goals.

The next phase will be to link the data obtained from in-depth business unit interviews and current spending trends to customer input and create a technology plan.

The plan will provide high-level directional guidance for the department's technology decisions.

It will pave the way for ITD to provide a safer transportation system, optimizing mobility, and enhancing Idaho's economic opportunity.

We have received many compliments about the excellent services our employees provide to their customers.

Here is one from Margaret Cole, the External Audit Manager for the Oregon DOT.

“Oregon requested assistance from other states to perform a complex and sensitive audit of an Oregon consultant. Mike Cram agreed to be part of our team. Mike’s contribution has been both innovative and powerful. His new ideas and his excellent analytical skills have helped to move the group to a higher level of assurance.

“Mike’s commitment to getting the most accurate results are admirable and very much appreciated in this review. Mike created a number of analyzes that helped pin point some the key issues. Mike’s dedication to his fellow states and his strong commitment to the AASHTO Subcommittee are obvious.

Thank you again for the opportunity to work with Mike.”

Trent Josten, a certified public accountant with the Colorado DOT’s Audit Division, sent a letter thanking Mike Cram, in our Office of Internal Review. He wrote:

“I would like to formally say thanks for your help with the CH2M Hill, Inc.'s cognizant review last year.

“Your assistance provided strong recommendations that were implemented by CH2M Hill, Inc. in their current year's rate, making the review process more efficient this year. You provided CDOT with guidance in an area we did not have a lot of experience in and

your efforts along with Rita made a valuable impact to the overall review.”

Char McArthur sent a letter commending Pauline Davis in the Communications Office. She wrote:

“Mollie and Rik started the ball rolling but then the last month of real critical push Pauline Davis had to step in and pick up the ball midstream. She did a tremendous job of working with design and content changes and chasing details while Rik was out and then Rik returned to pick the ball up again.

“It was a fairly seamless transition on the part of the communications team. Finance, budget, economics, communications, operations and executives all pitched

in. It is a great example of the team-based culture that is growing within the department.”

Now, I would like to show you a video highlighting some of the money-saving innovations designed by our employees.

(VIDEO PLAYS HERE . . .)

I will now introduce Chief Deputy Scott Stokes, who will give his October report.

Mr. Chairman and members of the board, this concludes my Director’s report for October.

Director's Board Report

November 2014

Thank you Chairman Whitehead. Good morning members of the Idaho Transportation Board. I am pleased to present my Director's report for November 2014.

In late October and Early November, we began Organizational and Mission Awareness Training Classes. To date, we have completed the training in Districts 1, 2, 4, 5, and 6.

I am facilitating this, along with the members of the Senior Leadership Team. The Training and Development Section supports these training efforts.

The purpose of the training is to show every person at ITD exactly how their individual jobs and daily duties tie to ITD's vision, mission, and strategic goals, and how what they do contributes directly to the success of the organization and its impact on the users of the transportation system.

When the training is complete, every ITD employee will have attended the class, taught to them by their direct supervisor and a person from the Executive Team or Senior Leadership Team.

The training will help all employees see how they can better serve our customers.

Some good examples of this are the letters of appreciation we receive about our employees providing services above and beyond expectations.

Providing outstanding customer service is part of ITD's culture. It defines who we are and shows how we are continually striving to improve.

In my September Board Report, I thanked the DMV and ETS staff who helped the Idaho State Police deal with a hit-and-run fatality. We recently received a letter of thanks for their help that night from Delisa Orren, who works for the Idaho State Police. She wrote:

“Tonight there was a hit and run crash that occurred in Jerome. A black Dodge Ram crew cab pickup with a silver tool box in the back ran down a 2 to 3 year old child. The child died.

“The witness was a 14 year old child, but she was a good witness, with good information. In addition to providing a vehicle description, she provided an occupant description, and that it had a 2J plate.

“We contacted ILETS to call in someone for an offline search. They were unable to find an afterhours contact person from DMV to do this, and they doubted whether or not they could find someone with building access.

“They said we would need to wait until Monday morning to make this happen. It is Friday night. By

Monday morning, if the pickup and driver are still in the country, I seriously doubt the evidence we need will still be on the pickup.

“I asked State Communications if they had any DMV administration phone numbers. Mark Pfeifer located a home phone number for DMV Motor Vehicle Administrator Alan Frew.

“With ILETS permission, I contacted him directly, and explained the situation to him. I told him that I wasn’t sure who to contact, or if there was anyone who might be able to help us immediately with this, but I was hoping he could guide me the right direction if there was.

“Mr. Frew immediately said he would get someone down to the building and get this started. He said it would take a few minutes for them to get there, but they would call me back shortly.

“Mr. Frew called back as I was writing this, and he, himself, is now with his vehicle services manager, Amy Smith. With the limited information we have available, he is calling an IT programmer to come in and help them. I obviously don’t know what the outcome of the search will be, but regardless, I can’t say enough about the positive experience with Mr. Frew. He is so very willing to help with this tragic emergency situation.

“I know you have strong working relationships with the people who make the other departments run, so I feel pretty sure that you will care about this just from

the point of making sure Mr. Frew gets a much-deserved pat on the back.

“He is a difference maker, and I am so grateful that he is! We would not have given up in here until we found someone to help us. This is a tough call. Mr. Frew made life so much easier for our center tonight – I don’t have the words to express my thanks.”

End Quote

Alan, are you here today? Ah, there you are.

I know you consider what you did as just a standard part of your job, but I want you to know that we appreciate your immediate response to this emergency, and I hope you will pass on our

appreciation to Amy Smith and everyone else who helped that night as well.

Your willingness to respond immediately, late at night on a weekend, made quite an impression on the Idaho State Police, and they wanted to make sure we knew how much they appreciated your assistance on a difficult issue.

Thank you for stepping in to help them, and thank you for continuing to make ITD a place where people receive excellent customer service, even long after normal working hours.

District 1 Engineer Damon Allen and his staff received a nice thank-you letter from State Senator Shawn Keough for their work on a section of U.S. 95.

Senator Keough wrote:

“Hello Damon! I just wanted to say THANK YOU and THANK YOU to the staff at ITD and to the contractors for the completion of the construction on Highway 95 between Athol and Granite Hill.

“As someone who commutes on that stretch almost daily it is AWESOME to have such a beautiful road!

“Thank you again!”

End Quote.

The construction on U.S. 95 Senator Keough is referring to was a GARVEE project that upgraded the

road to a modern, divided four-lane highway with acceleration and deceleration lanes, frontage roads, and a full interchange at Athol.

In addition to being nicer to drive on, it is also much safer due to being a divided highway.

It is becoming increasingly clear that when we invest in safety, the return on the investment is dramatic!

The GARVEE corridors are experiencing significantly fewer crashes than before construction—and as a group, they are significantly outpacing the state average in crash reductions.

The section of Highway Senator Keough complimented us on is part of the Garwood to Sagle Corridor.

In the first three years after construction, traffic in the corridor increased 10 percent. However, the crashes in that same time period decreased by 25 percent when compared to the three years before construction.

Statewide, traffic crashes have been reduced by 18 percent since 2007. . In contrast, our GARVEE projects have projects have reduced crashes by as much as 76 percent in the improved corridors.

That is a significant improvement over the statewide average, and it clearly indicates the value of investing in the transportation system.

We design safety improvements into all of our construction projects, but we also strive to improve work-zone safety for contractors during construction.

The department recently received a letter from a member of the Associated General Contractors, thanking us for being proactive regarding work-zone safety on an I-84 project.

The AGC also forwarded this letter to the Governor's office. It reads:

“On behalf of the employees at Western Construction, Inc., I would like to personally thank each of you for your time and valued input regarding interstate work zone safety and the use of crossovers.

“With the participation of FHWA, OSHA, and First Link Safety, meetings with AGC and ITD culminated in ITD’s reemphasis of positive separation for interstate work zones.

“In good-faith and without obligation, ITD doubled down on this pledge and proactively embraced Western’s proposal to add crossovers on the I-84, Oregon State Line project this season.

“Without crossovers, Western’s employee’s and subcontractors would have been exposed to imminent traffic hazards for over three months. I am absolutely convinced that worker(s) lives were saved through the responsible actions of ITD’s executive management.

“I’ve attached a letter of thanks from our employees to Brian Ness, Jim Carpenter and the staff at ITD who have chosen to enhance the worker safety standards in our industry.

“Thank you Gentlemen and all who participated!

Signed: Arnie Spriggel, Western Construction, Inc.

End Quote.

On October 19, the Division of Aeronautics held Idaho's first annual Pilot Safety Seminar at the Linen Building in downtown Boise.

The event was designed to educate attendees on the mental skills needed to become safer pilots, and to continue developing a culture of safety within the Idaho aviation community.

Over 150 pilots attended the seminar to hear seven nationally renowned aviation safety speakers. They covered many important topics, including:

- **Situational Awareness and Decision Making**
- **Mountain Flying Weather**
- **Wilderness Survival, and**
- **Making the “Right Call” for piloting safety**

The Division of Aeronautics has an aggressive plan for reducing Idaho's aviation accident rate.

They designed the Pilot safety seminar, along with their backcountry airstrip seminars, and the newly published airstrip operating procedures to reduce the number of aviation accidents in Idaho, which will save many lives.

If I can direct your attention to your screens, I would like to share a short video highlighting the Pilot Safety Seminar.

(Video Plays Here)

On October 27, crews working on the Idaho 55 Lardo Bridge Project in McCall slid the new bridge over the Payette River into place.

The crews used Dawn dish soap to lubricate the guides as they slid the two-and-a-half-million-pound bridge into place. The video on your screen will show you how well it worked.

(Video Plays Here)

On October 31, we completed an important, time-critical project with LHTAC — the Local Highway Technical Assistance Council.

It began in early August, when heavy rains created a flash flood that washed out the Middle Fork Boise River Road leading to Atlanta.

Here is a photo of the washed-out road, taken by Chairman Whitehead.

(photo of washout appears on screen)

Because this is the only road in and out of Atlanta in the winter, we had to act quickly to repair the road before the snow began to fall.

Thanks to a quickly organized cooperative effort between ITD, LHTAC, the U.S. Forest Service, and the Atlanta Highway District, we were able to repair and reopen the road ahead of schedule, using the services

of Western Construction based in Boise, and Robison Logging and Excavating base in Grand View.

(photo of repaired road appears on screen)

Here is another photo taken by Chairman Whitehead, showing the road as it looks now.

The road is open, traffic is flowing, and the residents of Atlanta are breathing a sigh of relief.

(prepare to pause here in case Jerry has comments)

Earlier this week, the department held a media opportunity here in the auditorium to get the word out about the new veteran's designation on driver's licenses.

Idaho driver's licenses can now display a veteran's designation in big, bold letters at the top of the license.

This will keep those who have served their country from having to carry around fragile, original documents to prove they are veterans.

Jim Livingston, a marine veteran in Sandpoint, got the ball rolling a few years ago when he approached State Representative George Eskridge, and asked him to sponsor legislation acknowledging veteran status on Idaho driver's licenses, which many states already do.

The bill was introduced during the 2013 legislative session, and signed into law by Governor Otter.

All three Treasure Valley television stations brought their cameras to our auditorium and produced news stories on the veteran's designation, which we made available on the day before Veterans Day.

Idaho's new veterans designation was promoted by media outlets across the state, including newspapers, radio, and television. It was reported as far away as Miami Florida and in the AASHTO Journal.

Here is the story KLEW TV in Lewiston aired:

(Video plays here. . .)

On a lighter note, all of us at ITD have lives outside of our jobs. In our free time, some of us go golfing or

fishing, others ride motorcycles or barbecue with family and friends in the back yard.

Joshua Sprague, a Senior Transportation Technician in District 6, spends some of his free time creating unique works of art. In Bronze.

And, as you will see from the pictures on the screen, he has a real talent for it.

(Picture of art show poster appears on screen)

Some of his work, with a whimsical Dr. Seuss theme, is being featured this month at Idaho State University's Alumni Art Exhibit, which is on display until November 21.

(Picture of super axe hacker appears on screen)

This is the Super Axe Hacker. It represents a focus on innovation and increased production. In “The Lorax” book, Dr. Seuss’ character “One Ler,” found that through innovation, he could increase productivity and still keep his family in the factory, working full tilt.

(Picture of Crunk Car appears on screen)

The Crunk Car represents mobility, and having the ability to “GO” when the time comes.

Speaking of time, this clock from Dr. Seuss’ “Sleep Book” represents precision and efficiency, and it

comes with a fun little poem, which I will attempt to read out loud.

(Picture of clock appears on screen)

If you have ever attempted to read Dr. Seuss to your children or grandchildren, you will realize that this is not as easy as it sounds.

A Mr. and Mrs. J. Carmichael Krox

Have just gone to bed near the town of Fort Knox.

And they, by the way, have the finest of clocks.

I'm not at all sure that I quite understand

Just how the thing works, with that one extra hand.

But I do know this clock does one very slick trick.

It doesn't tick tock.

How it goes, is tock tick.

So, with ticks in its tocker,

and tocks in its ticker

It saves lots of time and the sleepers sleep quicker.

Mr. Chairman, thank you for letting me share some of the artwork and creativity of one of our employees,

which is now on display at ISU's annual Alumni Art Exhibit.

I realize this is probably the first time Dr. Seuss has been quoted in a board report, which means this is probably the perfect time to introduce Chief Deputy Scott Stokes, who will give his November report.

Mr. Chairman and members of the board, this concludes my Director's report for November.

Director's Board Report

December 2014

Thank you Chairman Whitehead. Good morning members of the Idaho Transportation Board. I am pleased to present my board report for December.

Because the December board report is also a recap of the department's primary accomplishments in 2014, the other executive team members will not be making a presentation this month.

At the end of each year, I have the privilege of presenting the highlights of the previous 12 months.

And every year there is more to report, and more to be proud of. This is because the employees are more

engaged and are contributing innovative ideas, and we are much closer to accomplishing our goal of becoming the best transportation department in the country.

In last year's report, I presented to you the four main focus areas for the department in 2014.

One was to conduct an expanded culture survey to see how we are progressing in our efforts to move the employees and the department to a more constructive culture.

After the first culture survey in 2012, we committed to performing follow-up surveys every two years to track our progress.

We conducted our first two-year follow-up survey in January. It showed positive movement away from aggressive behaviors, and showed reductions in defensive behaviors such as dependence and the need for approval.

The survey showed that we improved in two of the constructive-behavior categories — achievement and self-actualization.

And the survey showed improvement in all employee-satisfaction areas but one.

We measured a drop in the “Intent to Stay” category.

We expected to see this drop, because we are currently in the five-year period during which at least 50 percent of our workforce becomes eligible to retire.

This drop was not a surprise, and we have plans to address the massive wave of retirements that has already begun. This includes leadership development, which I will address later in this report.

The survey showed improvements in role clarity, motivation, and satisfaction.

It also showed a decrease in negative areas such as conflicting roles, job insecurity, and stress

Our employees are more satisfied and secure.

They are delivering better services to the citizens of Idaho, and achieving greater recognition for the department.

It is a great beginning, but we have plans for even more cultural improvements. During the next two years we will work closely with everyone at ITD to pinpoint specific things they can do to move ITD toward the constructive culture we desire.

We expect to see major cultural gains over the next two years as we develop a more highly skilled and engaged workforce.

Here is a video showing some of the highpoints of the 2014 culture survey.

(VIDEO PLAYS HERE)

Our second focus area in 2014 was to develop a horizontal career path for Transportation Technicians.

Instead of financially rewarding employees based on the number of people they supervise or the number of years they have worked at ITD, we want to reward those who are committed to personal growth and demonstrate proficiency within their profession.

As promised, in November we presented the compensation strategy of linking pay for performance through horizontal career progression for Transportation Technicians to the state Division of Human Resources and the Division of Financial Management.

Our presentation illustrated the benefits of linking pay to performance.

Transportation Technicians in operations were selected because they make up one third of our workforce and their pay is 15 percent below the pay rates of surrounding states, and nearly 21 percent below what Idaho counties pay for the same work.

The plan we presented to the Division of Human Resources and DFM has three levels. Each level includes requirements for training, demonstrated skill proficiency, and individual and team performance. Advancements will be done once a year and only one step at a time.

Please show the first slide.

(First slide shows here)

What you see on the screen is level one. To complete level one, a transportation technician must complete 63 hours of training, and then have 200 hours of work demonstrating proficiency in the skills learned during the training. Then, if their teams winter performance proficiency ratings meet our metrics, they can move to level two.

Please show the second slide.

(Second slide shows here)

This is level two. It requires an additional 90 hours of training and over 300 hours of work using the new skills.

Please show the third slide.

(Third slide shows here)

This is level three. Transportation technicians must complete an additional 60 hours of training and another 300 plus hours of work demonstrating the skills they learned in training. This is the highest level of training and expertise in the job classification, and if approved by DFM, will pay accordingly.

The overall response to our horizontal career path proposal was positive.

They are currently reviewing the costs, job description, and how this compensation strategy will work within the state's rules.

Our third area of focus in 2014 was to develop leadership skills within the department, which will help address the loss of up to 50 percent of our workforce in a five-year period.

We are currently in that five-year period, and retirement notices and going-away parties are increasingly common. We are losing many of our most dedicated and experienced people, and many of them are — or were — in leadership positions.

In the last 12 months alone, we have lost a total of 1,489 years of service due to retirements.

To address the ongoing loss of many of our most skilled and dedicated people, we held a leadership summit in July, which was the third summit in three years. The purpose was to give those in leadership roles the tools necessary to become even better role models, and to step up as the wave of retirements continues.

The leaders invited to the summit were not chosen by their job classifications or status in the organization. Instead, they were selected based on their leadership skills and the proven ability to improve others around them.

Here is a brief video showing some of the highlights of the leadership summit.

(VIDEO PLAYS HERE)

The final emphasis area for 2014 was to improve the way we manage our cash flow and project funding.

Our goal is to implement new management systems that will help us make informed decisions on how and where to invest our resources in the most efficient manner possible.

As part of ITD's Project-Acceleration Process, beginning in September the Division of Engineering Services began advertising FY15 projects. The objective is to have all scheduled projects advertised and awarded by the first of April, 2015.

Five years ago our on-time delivery rate for projects was around 60 percent.

This year we not only delivered all of our projects on time, we accelerated the due dates by one full year.

Having all infrastructure projects bid and under contract by this April will help us reduce the outstanding cash balance and let us put that money to work earlier.

To be conservative, none of the projects are being funded over multiple years. This will reduce the risks associated with federal funding.

If a construction project is to be funded over multiple years, we will bring it to the Idaho Transportation Board for approval.

Any savings generated by bids that come in under the programmed amount will be retained and used to advance other projects.

The highway and bridge projects we select and fund are important to the public, and to the state's economic future.

Here is a video showing examples of the type of projects that are currently underway or that we completed in 2014.

(VIDEO PLAYS HERE)

Mr Chairman, and members of the board, you will be pleased to know that all projects programmed in the ITIP have been analyzed for how well they improve both safety and the condition of the state highway system.

And all of the projects were selected using management systems that allows us to compare the safety and economic benefits of each project.

ITD's selection processes allow us to select the projects that will provide the biggest economic and safety returns on our investments.

This is another step toward our goal of being the best transportation department in the country.

We are making tremendous strides. I am pleased to report that the legislature and members of other agencies are noticing the improvements we are making.

It started in 2013, when the Idaho House Transportation and Defense Committee passed a concurrent resolution praising ITD.

They praised the department for the improved efficiency created by the realignment, salary savings, improved cash forecasting, and for the innovative use of transportation funds to target opportunities for economic growth, attract new businesses to Idaho, and create jobs.

Here are some key quotes from the resolution:

WHEREAS, improvements in cash forecasting and project management practices will provide an additional \$100 million for highway maintenance and construction projects over the next five years; and

WHEREAS, numerous organizations including the Federal Highway Administration, the National Cooperative Highway Research Program, and the American Association of State Highway and Transportation Officials have recognized ITD as a national leader in innovative practices; and

WHEREAS, ITD now has a strategic plan to use its transportation funds to target opportunities for economic growth by expanding existing businesses,

attracting new businesses, and creating jobs, while at the same time improving Idaho's infrastructure.

NOW, THEREFORE, BE IT RESOLVED by the members of the First Regular Session of the Sixty-second Idaho Legislature, the House of Representatives, and the Senate concurring therein, that the Idaho Transportation Department be recognized and commended for its service to the people of Idaho and for its achievements in creating an innovative and efficient department that encourages economic growth.

End Quote.

The concurrent resolution shows that Idaho's legislators think ITD is on the right path and accomplishing great things. But they are not alone.

In 2013 the department received more awards in one year than any state in AASHTO's 100-year history. This shows that our accomplishments are certainly being noted on the national stage.

And I am pleased to report that in 2014, despite being warned early on that we would not be winning any AASHTO awards this year because of our overwhelming success last year, we won them anyway.

Even though the cards were stacked against us, we won two major AASHTO awards in late November at the AASHTO conference in Charlotte, North Carolina. And we won them for one reason and one reason

only — because the department’s accomplishments were too great to ignore.

The Idaho Freight Study Project Management Team received the AASHTO President’s award for Research.

The team developed a freight study using a unique process that involved representatives of all freight transportation modes in Idaho.

Their process established common goals and visions for Idaho’s freight network, evaluated opportunities and strategies to integrate freight movement across all modes, and strengthened partnerships between private and public entities.

The Freight Team members are Sonna Lynn

Fernandez, Steve Grant, Melissa Kaplan, Robert Linkart, Jo O'Connor, Mark Wasdahl (**WOZ DOLL**) and Mark Bathrick, and I would like to take this opportunity to tell them how proud we are of their accomplishment, and of the excellent work they did on Idaho's award-winning freight study.

The unique process they developed for Idaho is now a model for other states to learn from and emulate.

The second AASHTO award we brought home this year is the prestigious Alfred E. Johnson award. AASHTO only awards one of these each year.

And this year, out of all the transportation experts in the country, it was awarded to our own Dennis Jensen.

(Photo of Dennis Jensen shows on screen)

Dennis was recognized for his accomplishments improving safety for the traveling public, which led him to develop a unique system that is improving the efficiency and effectiveness of winter maintenance, not only here in Idaho, but across the nation and around the world.

We are all very proud of Dennis for the system he helped develop and the national recognition he is receiving.

For many, this would be the crowning achievement of a long and successful career, but Dennis Jensen's innovative spirit did not stop there.

He is currently leading a project to blend real-time application data from snowplows and visually overlaying that information onto status graphs of available traction on the road surface.

This will allow snowplow operators to see quantified, real-time information showing the effectiveness of their winter treatments.

Dennis Jensen's innovative spirit and major, ongoing contributions to transportation excellence have brought him to the attention of the nation's top transportation experts, and it is no surprise to many of us in this room that he won the prestigious Alfred E. Johnson Award. He earned it, and I think he has

earned a round of applause. Great work Dennis, you make us all proud!

Dennis Jensen's national recognition reflects well on the innovations and improvements being made in the department, and shows that ITD's excellence is being noticed nationally. These are the great things that happen when decision-making is moved as close as close as possible to where the work is being done and operations are taking place.

ITD is continuing to receive national recognition for excellence, but the public is also noticing the changes at ITD, and the many letters and notes that I have shared with you over the last 11 months show how much our efforts are appreciated.

Let me close out the year of cards and letters with one simple, short note that exemplifies the superior service we strive to give to the citizens of Idaho.

Dan Bryant, District 3's Maintenance Engineer, recently received a hand-written card from a lady named Connie Behee.

She sent the card shortly after the Treasure Valley's record snowfall and record cold snap in late November that received so much media attention about snow removal, or, in certain cases, the lack of it. She wrote:

“Michael, thank you and your crews for the wonderful job you do removing snow and ice from our state highways.

“My home is near State and Collister, and when I drive west on State it is very obvious that state maintenance takes over at Glenwood.

*“The difference is remarkable, and greatly appreciated.
THANKS!”*

END QUOTE

This note shows that the public is taking notice of the excellent services we provide, even in such a common event as snow removal.

But there is much more to ITD than just removing snow or completing a much-needed project ahead of schedule.

That is why I asked the Office of Communications to produce a video that encapsulates many of the year's most notable events and accomplishments.

In the interest of time, we could not include everything, but I think you will agree, it's been quite a year.

Let's take a look and see where we've been and what we've accomplished.

(Video Plays Here, will include AASHTO awards...)

Mr. Chairman, as you can see from this video and my report this morning, 2014 has been a productive

year. But, like Dennis Jensen, we are not going to simply sit back and enjoy our past accomplishments.

We are going to find even more ways to better serve our customers. We have work to do, and plans for great things ahead in 2015.

In addition to the many initiatives that are already underway and going strong, we will have three main focus areas for the next 12 months:

The first is a revenue increase. It is no secret that Idaho needs more transportation revenue. The state simply does not bring in enough revenue to support the needs of an aging system of roads and bridges.

Idaho's transportation infrastructure is an important factor in Idaho's future. The condition of our roads and bridges will help determine the pace and extent of the state's economic growth.

As goes the condition of Idaho's roads and bridges, so goes Idaho's economy. Which means Idaho has a choice to make. Do we modernize our aging infrastructure, or do we continue to underfund it?

The Governor's Task Force on Modernizing Transportation Funding published a final report that shows we are underfunding transportation in Idaho by \$543 million per year.

Of that \$543 million, \$262 million per year is needed just to keep existing infrastructure in the condition it is in today.

Let me help put this into perspective.

- In 1996, the year Idaho last increased its fuel tax, gas cost \$1.25 per gallon, it now costs \$3.00
- Diesel, which is what our snow plows use, cost \$1.24 per gallon, it now costs \$3.65.
- Idaho had approximately 852,000 licensed drivers in 1997. We now have 1.1 million.
- The annual vehicle miles traveled per year in Idaho, and the corresponding wear and tear on the

highways, has increased by 21 percent. In 1997 it was 13.1 million miles. We now drive 15.9 million miles per year.

- In 1996, our department purchased brand new snowplows for approximately \$101,000. They now cost around \$229,000. A 127 percent increase.

These price increases show that the cost of providing a quality transportation system continue to increase, yet as we all know, our revenue remains flat.

Hopefully this year that will change. We will be closely watching what happens in the upcoming legislative session, and will keep the board informed on any interesting developments.

We have done our part. ITD will not be the reason to oppose additional revenue for transportation.

Our second focus area in 2015 will be implementing the continuous improvements that will make ITD the best transportation department in the country.

These improvements will include innovative business practices, making more decisions closer to where the work is being done, and moving the needle forward on all of the performance measures on the ITD dashboard.

The third focus area is employee development. We want 1,700 Dennis Jensens working at ITD.

That is why we will continue to improve ITD's work culture and provide clearly defined roles and responsibilities.

The Division of Highways has recently completed a workforce planning effort for each district. The purpose is to focus our resources on customer needs, address changing technology, determine new skills sets that will be needed in the future, and evaluate the manpower needed to meet this criteria.

The districts are now developing an organizational chart that will reflect these needs and ensure we can effectively do three things.

- Train existing employees.

- Hire replacement employees with the skills needed to meet the new demands.
- And address the current tidal wave of retirements.

We have set 2020 as the goal year in which to complete the transition. The districts are partnering to develop a standard district organization chart that will include accurate descriptions of job duties and the skills required to meet all of our current and future needs.

The first draft is complete. It identifies what new and current positions will be needed. We have also started developing job description and uniformity

processes for positions and duties common to all districts.

By June 2015, we plan on having the 2020 organizational chart in place. It will address our succession planning and show the skill sets needed to achieve ITD's strategic goals.

Before the chart is published, each District Engineer in cooperation with ITD's Division of Human Resources, will meet with all affected employees and develop a mutual training plan for current employees who will still be with department in 2020. The training plan will help them acquire the required skills.

All vacancies that occur on or after June 1st. 2015 as a result of employees leaving state service would then be filled to meet the needs of the 2020 organizational vision.

In addition to working hard to implement horizontal career paths for our employees, we will continue to train and mentor ITD's next generation of leaders.

These efforts will improve employee performance, and that will translate to benefits and improved services for our customers, the citizens of Idaho.

Mr. Chairman, in closing, 2014 was a great year. We continue making huge strides in our quest to be the best transportation department in the country.

We also continue to make great progress in earning the trust and confidence of the Idaho Legislature, something that I made a high priority when I became director in 2010.

The department is providing excellent and ever-improving services to the taxpayers of Idaho, and to the businesses that drive Idaho's economy.

I look forward to the many challenges and successes we will achieve together in 2015, including hosting the WASHTO Annual Conference in July.

That concludes my Director's Report for December, and for 2014. If you have any questions, I will be happy to answer them.