



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Meeting of the Governance Committee

September 11, 2019

9:00 a.m.

**Meeting Location: 1385 Canal Street, SE, Washington, D.C.
2nd Floor-Board Room**

AGENDA

- 1. Call to Order Ellen Boardman, Chairperson**
- 2. Blue Drop Update Alan Heymann, President of Blue Drop, LLC**
- 3. Executive Session ***
- 4. Adjournment**

*The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); contract negotiations under D.C. Official Code § 2-575(b)(1); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2-575(b)(10); proprietary matters under D.C. Official Code § 2-575(b)(11); decision in an adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14), and other matters provided in the Act.

Governance Committee Update

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Today's Agenda

1. **Explainer: Blue Drop's governance structure**
2. **Blue Drop Board update**
3. **Blue Drop staffing update**
4. **Blue Drop financial update**
5. **Blue Drop business updates**
 - a. Bloom
 - b. Pipe Sleuth and events

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Explainer: Blue Drop's governance structure

It began with a resolution.

November 3, 2016: The DC Water Board, upon recommendation of the Governance Committee, authorized the General Manager to create Blue Drop.

Blue Drop filed its articles of organization with the Government of the District of Columbia the same day.

Explainer: Blue Drop's governance structure

Blue Drop is a single-member, nonprofit limited-liability company (LLC).

- It is a separate legal entity from DC Water.
- DC Water is the sole member of the LLC.
- It is a *manager-managed* LLC, meaning a manager (the Blue Drop President) is appointed to run the day-to-day affairs of the company.

Explainer: Blue Drop's governance structure

DC Water controls Blue Drop and oversees its activities.

- DC Water is the single member of the LLC.
- Because DC Water is not a natural person and acts through its Board, the Board appoints a *member representative*.
 - This has been the GM/CEO.
- The DC Water Board also appoints the Chairperson of the Blue Drop Board.
 - This has also been the GM/CEO.



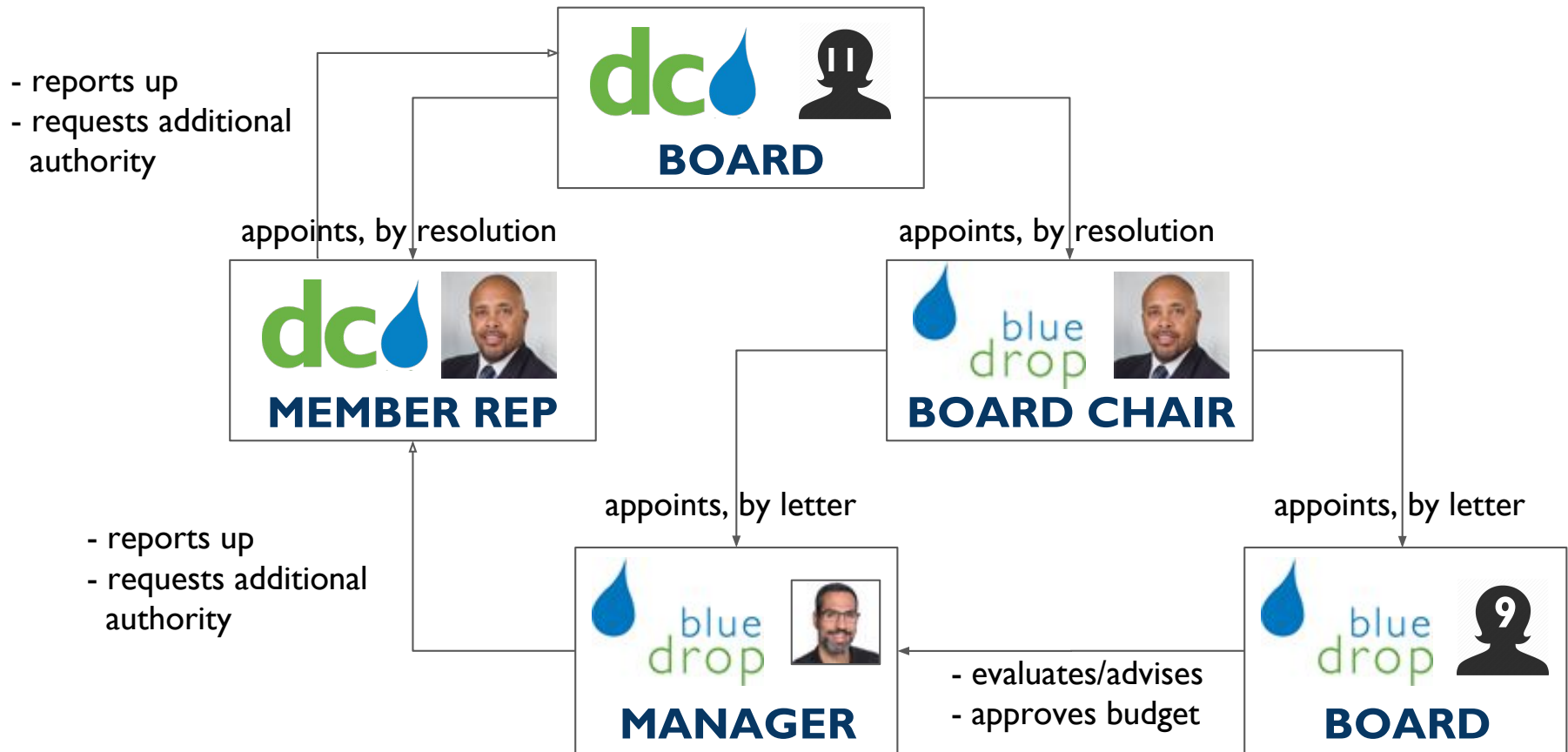
Explainer: Blue Drop's governance structure

DC Water controls Blue Drop and oversees its activities.

- The Chairperson of the Blue Drop Board appoints the Board members.
- The Chairperson of the Blue Drop Board appoints and removes the Blue Drop Manager (President).
- The Blue Drop Board evaluates the performance of the Blue Drop Manager, and approves the Blue Drop budget.



Explainer: Blue Drop's governance structure



Explainer: Blue Drop's governance structure

Blue Drop needs express authority from the Member (DC Water Board, via Member Representative) to do the following:

- Borrow money
- Admit other members to the LLC
- Merge with another organization
- Create a subsidiary
- Sell all, or most of the LLC's assets
- Dissolve the LLC
- Declare bankruptcy

Blue Drop Board Updates

- **Now a nine-member Board with two vacancies**
 - Cathy Bailey (September 6, 2020)
 - Anne Barnes (September 1, 2021)
 - TBD shortly (replacing Rachna Bhatt)
 - Scott Glass (September 6, 2020)
 - Robert Mallett (February 27, 2021)
 - Georgia Ravitz (September 6, 2020)
 - Debra Silimeo (October 17, 2019)
- **Adding a vice chair from among the members**
- **Next meeting: Thursday, October 10**

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Blue Drop Staffing Updates

- President
 - Alan Heymann
- Vice Presidents
 - Kim Marshall
 - Francesca Valente
- Director of Marketing
 - April Thompson
- Positions under recruitment
 - Director/Manager of Sales (Bloom)
 - Director/Manager of Business Development (Pipe Sleuth)

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Blue Drop Financial Updates

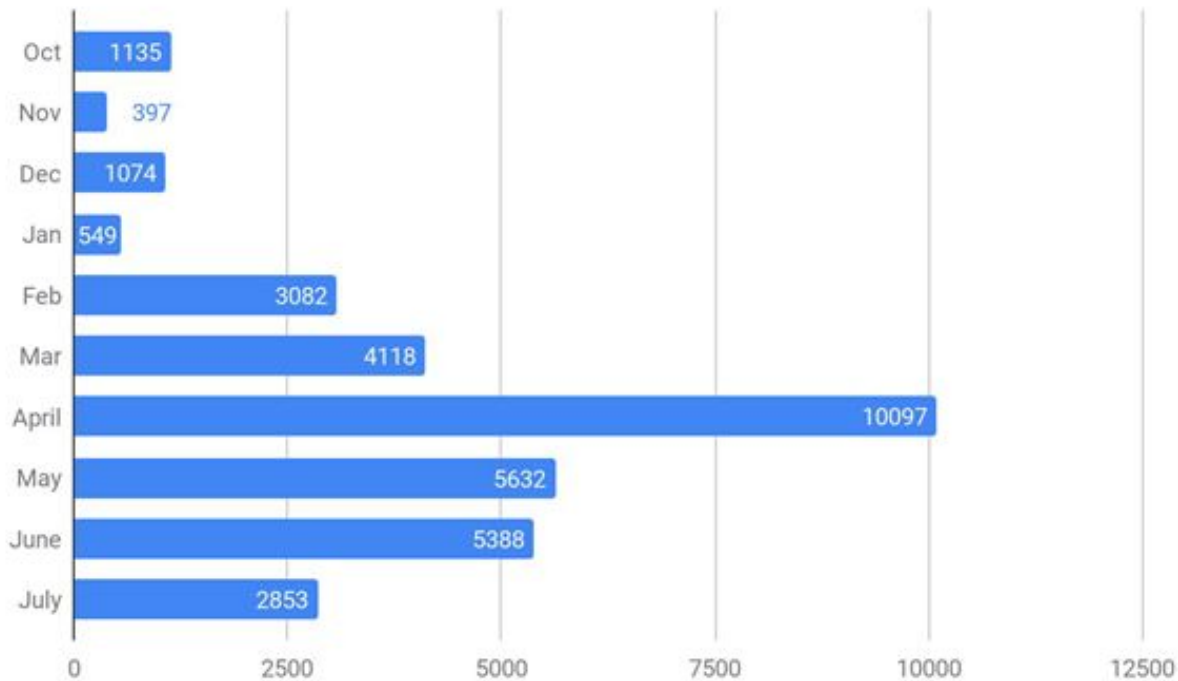
**Blue Drop to insert by 8/30,
after reviewing with DC
Water Finance.**

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Blue Drop Business Updates

34,325 Tons of Bloom Marketed by July 31

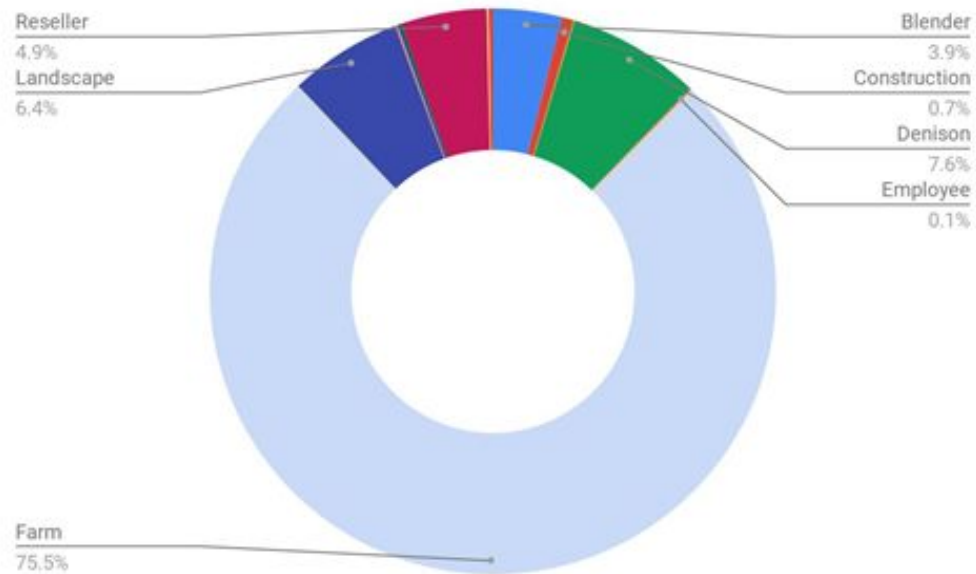


(Possibly update with August)



Blue Drop Business Updates

Tons of Bloom Sold by Customer Category



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Blue Drop Business Updates

- Curing partner in Accokeek, MD. 1,000 tons available in early fall
- 10,000 50-pound bags of cured material will be created from this material for sale mostly to landscaping companies but also for retail

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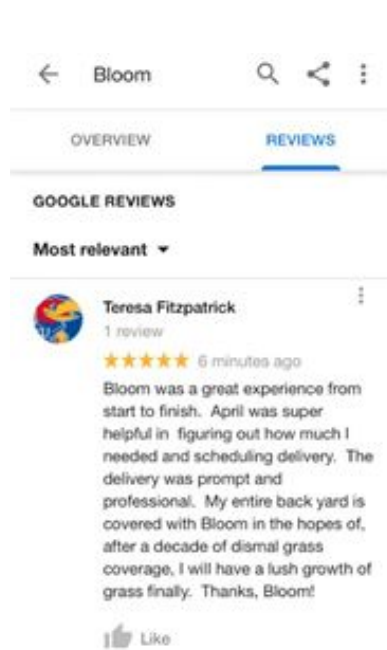
Blue Drop Business Updates



- Bloom marketing activities include:
 - direct mail and email marketing
 - digital and print advertising
 - tours to key industry groups
 - event sponsorship
 - website revamp
 - monthly newsletter
 - point-of-sale collateral and sales trainings for retailers



Blue Drop Business Updates



- Web traffic is up 10% from last year
- Pipeline of prospects has grown by 40%
- Mailing list has increased seven-fold from Q1



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Blue Drop Business Updates

- In FY 2020, Blue Drop will focus on the sale of Bloom as a value-added product to maximize the amount of revenue we can generate. We will continue to provide marketing, administrative and accounting support for the entire program. Our sales efforts will put a priority on customers who blend, cure and bag the product.

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Blue Drop Business Updates

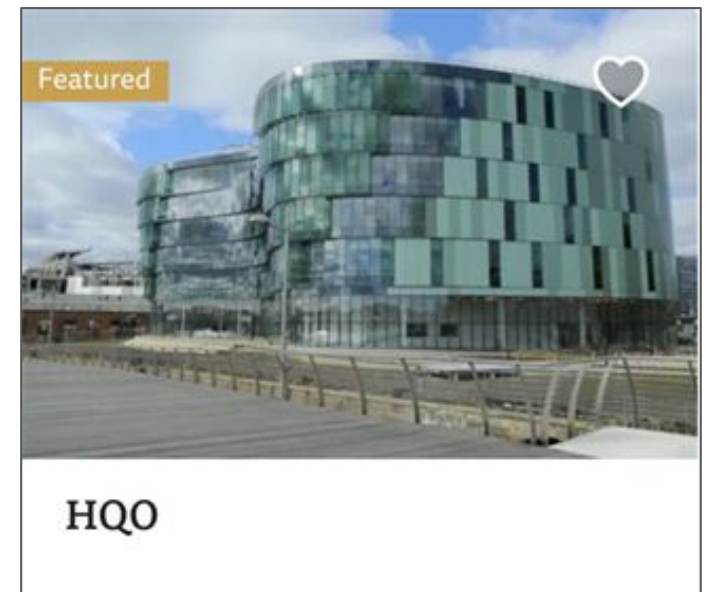
- Pipe Sleuth has entered a competition hosted by a UK water company who released video footage of pipes and invited all AI firms to test their product on the footage. The winning product will likely be purchased by the utility. We look forward to the results!
- We are hiring for a salesperson to take Pipe Sleuth aggressively to market in FY 2020. The job description has been posted and we are reviewing applicants.



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Blue Drop Business Updates

- The Events program has an FY 2020 goal of hosting 50 events in the five unique public spaces of HQO. As of this week, 7 events have been booked with deposits paid.
- For more information on booking an event in HQO, please visit the Blue Drop website or The Knot, where HQO is a featured venue.



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Questions?

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