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The Public Startup Charting Bold New Waters.

Water utilities are struggling to lower their operation costs and simultaneously meet stricter environmental rules. Blue Drop, the brainchild of DC Water's former leader, wants to help.

Most startups fail. Within the first four years, anywhere from 50 to 90 percent of firms go belly up. Investing in them is risky. It's easy for things to go wrong.

But Blue Drop LLC isn't a typical startup. To begin with, there isn't a hoodie or open-loft office to be found in its modest headquarters in downtown Washington, D.C. And the company's lone investor, the public utility DC Water, hails from an extremely risk-averse sector.

There's something else unique about Blue Drop: A healthy portion of its revenue plan relies on selling truckloads of what used to be human poop.

Launched in late 2016 with a nearly \$3 million investment in cash and resources from DC Water, which provides water and sewage services to residents of the nation's capital, Blue Drop is the brainchild of George Hawkins, the utility's former CEO and general manager. Hawkins, who stepped down only recently after a nine-year tenure, is credited with not just restoring public trust in the utility but with making it one of the most cutting-edge water enterprises in the country. (Governing named him a Public Official of the Year in 2014.) Now, he and others think the innovative and creative solutions that have emerged from DC Water over the past decade can be repackaged and marketed to others. Blue Drop, a nonprofit consulting enterprise, will do that by connecting potential public utility clients with the experience and know-how of DC Water. The company has two full-time employees — for now — plus five part-timers on loan from the utility.

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