Launched

The first three years of Blue Water Baltimore as it transitioned from the merger that created it

Five Baltimore watershed groups spent nearly two years negotiating a complicated merger that would create a more powerful voice for clean water in the metropolitan region. The result — on September 7, 2010 — was a new nonprofit organization called Blue Water Baltimore.

The merger was an incredible milestone for the five organizations, which included the Baltimore Harbor Watershed Association, Baltimore Harbor WATERKEEPER, Gwynns Falls Watershed Association, Herring Run Watershed Association, and Jones Falls Watershed Association. Each originated on a smaller scale, gained footing over time, and then voluntarily dissolved to form a single, stronger entity. Staff and board members gave countless hours and enormous amounts of energy to the merger, supported by Maryland grantmakers who shared their vision.

When the merger was first announced, Blue Water Baltimore was in a unique position. It was a new nonprofit organization, but without the traditional start-up pains. It emerged on the scene with experienced staff, a structured board of directors, and a budget. Its leaders had existing relationships with area grantmakers, and the inherited membership base topped 270. Programs and projects were already underway as legacies of the merging organizations. Blue Water Baltimore also owned its headquarters — a building that Herring Run Watershed Association had purchased and restored.

Yet plenty of challenges were at hand. The legal work was complete, but the merger of staff, programs, administrative process, and governance had just begun. A new executive director had joined the organization. At the same time, Blue Water Baltimore was introducing itself on a much broader stage. Its geographic focus grew from smaller sub-watersheds to encompass all water resources in Baltimore city and parts of Baltimore County. With a new emphasis on advocacy, staff soon found themselves involved with both local and statewide policy discussions. Growth came quickly, in spurts that were sometimes more reactive than planned.

The integration of people, programs, and systems required time and attention while new opportunities, triggered by the merger, continued to arise. And so Blue Water Baltimore was launched, but it was lurching too. This report describes the transitions that took place over its first three years. Staff, board members, grantmakers, and project partners have shared their perspectives on the lessons of this experience as Blue Water Baltimore now moves beyond its merger years and reaches full stride in advancing a clean water agenda for the region.

Blue Water Baltimore is a nonprofit organization created by the merger of five watershed groups in September 2010. Its mission is to restore the quality of Baltimore’s rivers, streams, and harbor to foster healthy ecosystems that are accessible and safe for citizens, visitors, and commerce. Blue Water Baltimore’s programs include:

- **Public Policy & Legislative Advocacy**, which works at the state and local level for stronger clean water laws and policies
- The **Clean Water Community Initiative**, which partners with community leaders and schools to integrate clean water projects into existing neighborhood programs and priorities
- **Clean Waterways**, which addresses problems such as polluted stormwater runoff, toxic pollution, and trash
- The **Baltimore Harbor WATERKEEPER**, which protects and restores the harbor and greater Patapsco River through enforcement, water quality monitoring, and encouraging citizen action
- **Community Greening**, dedicated to improving the city’s forest canopy, air quality, and quality of life
- **Herring Run Nursery**, which grows and sells native plants to homeowners, community associations, schools, contractors, and restoration ecologists

As of January 2014, Blue Water Baltimore is governed by a 23-member Board of Directors and employs 17 full and part-time staff. It has approximately 390 members and 4,500 people who volunteered their time over the course of the previous year.

Blue Water Baltimore had a 2013 budget of approximately $2.5 million. Its work is primarily funded by grantmakers who are committed to water quality in the Chesapeake Bay and the Baltimore metropolitan area.

Blue Water Baltimore works in the Patapsco and Back River watersheds of metropolitan Baltimore, a 194-square mile area that includes the sub-watersheds of Gwynns Fall, Jones Falls, Herring Run, and Baltimore Harbor.
Staff & Operations

Blue Water Baltimore was launched with six staff members, each of whom had been employed by one of the five founding watershed groups. They were led by an executive director who was new to the organization as well as the environmental field, hired shortly before the merger was complete. While the merger was expected to help the organization grow in both size and scope, it happened more quickly than most people expected.

When Blue Water Baltimore stepped forward as a new organization in 2010, the staff was excited about their future. Their work, and the team behind it, was positioned to make a meaningful impact. The staff entered this new arena both energized by the merger and exhausted from creating it. The process had occupied nearly two years of their time, in addition to their other job duties. It was an intense, emotional experience. Stress and uncertainty could easily have caused turnover, but that wasn’t the case. The staff was excited about their shared vision, and the merger steering committee made an early commitment to staff retention: everyone would retain their jobs for at least the first full year after the merger.

This mutual commitment allowed Blue Water Baltimore to debut with experienced staff who knew each other and their programs quite well. However, none of the existing staff choose to apply for the position of executive director. As a result, the new director was an outside hire, chosen for expertise in nonprofit management rather than direct experience with environmental programs.

Multi-tasking was the order of the day, and everyone was helping with tasks above and beyond their job descriptions. The staff needed to maintain and complete projects that were funded by grants obtained by the legacy organizations. At the same time, they were establishing a new organizational identity, expanding their fundraising efforts, and sorting out daily operations. The staff also consolidated their operations into one building — the former headquarters of the Herring Run Watershed Association, a LEED certified “green” building in Baltimore’s Belair-Edison neighborhood that was transferred to Blue Water Baltimore through the merger. Technical and logistical issues arose from the move. Administrative processes from five organizations had to be reconciled, including personnel policies, pay scales, bookkeeping, computer systems, and membership records.

The staff also pursued new, larger projects and expanded the variety of their work. They launched an advocacy program — an important goal of the merger — just as several hot topics hit the state and local legislatures. Blue Water Baltimore was quickly called upon as a voice in the debates. The Baltimore Harbor WATERKEEPER brought capacity for legal action to a suite of programs that previously focused on stewardship, public outreach, and on-the-ground restoration projects.

Within three years, staff grew from six to seventeen people. This was due in part to new funding and program opportunities, but also from the expanding administrative needs of a larger organization. Blue Water Baltimore has become a desirable employer, and the number and quality of job applicants have increased — in 2013, two advertised positions generated seventy applications.

New opportunities and human resources have energized the organization, but there is a growing sense among staff, board members, and some community partners that

“I’ve done a good bit of nonprofit work in my life and nothing has brought me so much energy as this organization.”

Robert Johnson, Blue Water Baltimore Board of Directors
Blue Water Baltimore may have taken on too much. Strategic planning is now underway to tighten focus on tasks that align most closely with their mission and talents.

**Lessons Learned**

1) **When the legal merger is complete, the operational merger has just begun.** The relief of achieving the legal merger can distract from the many tasks that remain. The new organization may not have existing capacity to address them. For Blue Water Baltimore, consolidating staff into a new headquarters required new phone lines, computer systems, and workspace. Bookkeeping and payroll processes needed to be merged, along with reconciling personnel policies, pay scales, and membership databases. Intentional planning for such tasks — including a realistic timeframe — would help ease the transition.

2) **Consider hiring an interim director or temporary transition assistant.** The Board of Directors hoped to accelerate the merger transition by making an early, permanent hire for executive director. They chose to emphasize management skills, selecting an outside candidate with a nonprofit track record but no environmental experience. This added a management transition at a time when Blue Water Baltimore was still defining itself, and it was ultimately not successful. A new director was hired from within existing staff approximately twelve months after the merger. “We lost a lot of time,” said current director Halle Van der Gaag. “The lesson? Don’t be in a rush to hire.”

3) **Plan time and resources for branding and communications.** Finding a name for the new organization can take more time than expected. For Blue Water Baltimore, it took six months to come to an agreement. Then, anxious to announce themselves, they moved ahead without basic marketing products like brochures, fact sheets, a strong web presence, or media plan. At the time, staff lacked the capacity to handle these tasks while juggling other merger logistics. As a result, the organization was unable to maximize opportunities for fundraising and membership drives that could have accompanied the merger announcement.

4) **A larger organization will likely create a need for more administrative staff.** Blue Water Baltimore has added an office administrator and development manager as full-time positions. “They had a lot of grants to manage and they needed systems set up, but they didn’t have the management capacity to do it,” said Cathy Brill of the Rauch Foundation. “It was a direct legacy of the merger.” Now, having tripled their total number of staff, they are considering the addition of an operations manager or assistant director to interact with program managers.

5) **Carefully consider staff structures and expect them to change as the organization evolves.** The staff structure that makes sense immediately after the merger may need to change as programs evolve. “At first, I put together a team based on existing staff and existing grants,” said Van der Gaag. “But now we’re very flat, structurally. Some people still have too many things in their job descriptions, but now we can change that because we have a much better sense of where the organization is going.”

*They didn’t start with a blank slate, and that’s probably harder than five people starting a new organization at the kitchen table. They were working double time to figure it all out.*

*Julie Hester, The Campbell Foundation*
Programs & Partnerships

Programmatically, Blue Water Baltimore emerged with a head start. It had experienced staff, existing projects, and good relationships with community partners. But the merger was designed to create growth, and it did. The success of this effort has now raised challenging questions about directing the organization’s work and its specific role among the area’s environmental advocates and related government agencies.

Three years after the creation of Blue Water Baltimore, feedback is enormously positive. Staff, board members, community partners, and grantmakers had identified the lack of strong water quality advocacy in the Baltimore region, and they believe that Blue Water Baltimore is already filling the gap.

“Was the expectation met? Yes,” said Cathy Brill of the Rauch Foundation. “The organization is bigger than I thought it would be and the budget has grown faster than expected. But Blue Water Baltimore is recognized as a voice for water quality and that’s exactly what we were hoping for.”

The staff has added new categories to their suite of projects, and they have successfully won grants for large-scale projects that the smaller founding groups could not have secured. As a result, the organization is perceived differently within the community.

The staff also carries a heavy and varied workload, and has begun to ask which projects should take priority in achieving their mission.

“Now we need to find our role in the larger clean water community,” said board member Robert Johnson.

**Lessons Learned**

1) A regional organization is more likely to have regional impact. Blue Water Baltimore launched its Public Policy & Legislative Advo-

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The Baltimore Harbor WATERKEEPER monitors water quality, takes calls on the pollution hotline, and sometimes takes legal action to enforce environmental laws and policies.
cacy program soon after the merger, just as several hotly debated environmental bills arrived in the state and local legislatures. This gave Blue Water Baltimore a sudden “seat at the table” while citizens and the media were paying close attention to the issues.

Hilary Falk was the executive director of the Choose Clean Water Coalition for the Chesapeake region both before and after the creation of Blue Water Baltimore. “It’s clear that Blue Water Baltimore is a much more powerful organization than any one of the individual groups that founded it,” Falk said. “My perception is that staff and their level of capacity to influence policy in Baltimore and Maryland have increased dramatically — through the policy process, the media, and their ability to comment and lead.”

2. Significant changes in programs can affect the new organization’s identity. The Baltimore Harbor WATERKEEPER plays a unique role within Blue Water Baltimore. The position is nested within the organization but remains part of the international Waterkeeper Alliance. Waterkeepers are committed to the enforcement of environmental laws and policies; they tend to be more confrontational than most local watershed groups and take legal action when deemed necessary.

The other founding groups of Blue Water Baltimore focused on building partnerships with city, county, and state agencies, as well as local businesses. The Board of Directors knew that the waterkeeper’s more aggressive role could affect these partnerships in the future but believed that advocacy and enforcement had a place in the new organization.

The decision has already affected some partnerships, as Blue Water Baltimore petitioned to intervene in the city’s legally binding commitment to address problems with leaking sewage pipes. Beth Strommen, who directs the Baltimore Office of Sustainability, is enthusiastic about Blue Water Baltimore’s work for clean water in the Baltimore region and hopes the group will succeed. However, Strommen said its relationship with city agencies has changed. “It’s become more formal, a little more cautious,” she said.

3) Ensure that large initiatives don’t divert energy from local relationships. As Blue Water Baltimore gains a regional voice with legislators and public leaders, the staff continues to work on outreach to the general public. This helps maintain and expand local ties initiated by the five watershed groups that merged into Blue Water Baltimore. The Parks & People Foundation helped incubate some of these groups, which were established in part to engage neighborhoods around the waterways that they championed. Foundation president Jaqueline Carrera said that major initiatives shouldn’t overshadow such localized outreach. “Behavioral change requires an aggressive grassroots organizing campaign,” Carrera said. “People must be engaged in their homes, businesses, and communities, or we won’t see the change we’re looking for.”

A community organizer, who joined the staff in 2012, helped to extend the outreach ef-
forts that were taking place through restoration and education projects. The organizer meets with neighborhood residents, talks about assets and problems, identifies potential projects, and helps make them happen. She also teases out the issues that communities have in common so that Blue Water Baltimore can draw attention to them.

Blue Water Baltimore collaborated with the Waterfront Partnership of Baltimore and other community organizations to develop this position, partially due to a need for outreach related to stormwater runoff. It was originally hosted by the Baltimore Community Foundation. Cheryl Casciani, the foundation’s director of neighborhood sustainability, said that the position was transferred to Blue Water Baltimore because of its deep involvement with stormwater policies at the state and local level. “They’ve done a great job integrating community organizing with what they’ve already been doing,” Casciani said.

4) An organization with increased capacity still needs boundaries. Additional staff, combined with the ability to win larger grants, has left Blue Water Baltimore with a long and diverse project list. The organization is involved with political advocacy and community outreach, as well as many on-the-ground projects to green the city and reduce polluted stormwater runoff. The staff monitors water quality in the harbor and its tributaries, while managing a volunteer team that supports this work. They also run a popular native plant nursery. Fundraising, bookkeeping, and communications tasks have grown in tandem.

Board, staff, and community partners have begun to ask if this scope of work is too broad. Portions may overlap with other organizations that would be better suited for some of the tasks. For example, large stormwater projects can involve heavy equipment and site preparation that city agencies are equipped to handle. Environmental education for students is offered by several other organizations in the area. At the same time, Blue Water Baltimore has a vested interest in a wide range of activities that touch directly on the future of water quality in the region. The board and staff are seeking balance between defining program priorities and providing adequate staff capacity to handle them. “Now we have a process for considering project scale and skills,” said board member Fiona Newton. “We don’t just say yes to everything.”

Blue Water Baltimore is working to prevent and remove trash in waterways. In 2012, they worked with volunteers to remove 61,460 pounds of trash during 78 stream clean-up events.
During the merger process, each of the five founding organizations selected three to four board members to serve on a seventeen-member steering committee. The steering committee was deeply involved with specific merger-related issues, reporting back to their individual boards to seek feedback and request formal votes as needed.

Once the legal merger was finalized, members of the steering committee became Blue Water Baltimore’s first Board of Directors. But they recognized that it was too early in the process to define long-term rules for governance. Instead, the initial structure of the board was temporary and members were only committed to a one-year term.

A few new members were added in 2011, and a concentrated recruitment effort brought on six new members in 2012. As of January 2014, the board has grown from 18 to 23 members. Eleven were involved with one of the merging groups; the others came on board after Blue Water Baltimore was established.

Lessons Learned

1) Expect the unexpected. Shortly after the merger, the board was faced with an important and surprising problem. They had carefully hired an experienced manager to lead Blue Water Baltimore just as the legal merger was nearly complete. They had hoped to ease the transition by putting the leadership question to rest. However, the candidate selected was ultimately not the right match for the job. Staff realized this quickly but found it awkward to discuss the extent of the problem with the board. “This was a big leadership issue, and it made the first year really problematic,” said board member Frances Flanigan.

The mismatch was acknowledged, and the director’s contract was not renewed. While this challenge slowed the organizational transition, it did not have any lasting effects on community perception or partnerships. Cathy Brill of the Rauch Foundation credits the board’s pragmatic but difficult decision with helping Blue Water Baltimore succeed. “If the board had been reluctant to deal with it, there could have been long-term problems for the organization,” Brill said.

2) The Board of Directors needs time to bond and integrate. The original board members of Blue Water Baltimore worked together closely during the merger but still saw themselves as representatives of the other organizations. Most still introduced themselves as part of their legacy groups, instead of Blue Water Baltimore. “About six months later, they’d bonded beyond the legacy components,” said executive director Halle Van der Gaag. “The staff was working together every day, so they made the shift much more quickly than the board.”

3) Mentoring helps both current and incoming board members, especially when the organization is new. “When we added new people there was a shared sense of mentoring — a hunger to engage them,” Van der Gaag said. “We set up a mentoring program...
and dealt with board expectations and governance, which hadn’t been dealt with much during the merger process."

Staff support is important for board relations too. “Make sure the ability to shepherd and mentor the board is addressed,” Van der Gaag said. “You might need to step it up as the board grows bigger.”

4) Recognize and reduce any overlap between board and staff roles that may have resulted from the merger process and transition period. Board members may take on operational tasks to help with the labor-intensive process of the merger. “That’s especially true when the board evolves from smaller organizations, where people roll up their sleeves and get the job done,” said board member Robin Leone. Blue Water Baltimore found that the roles in a larger organization must be more clearly defined. Now the board’s responsibilities are focused on policy, advising, and fundraising.

5) The board needs a strong sense of messaging in order to help introduce the organization to the community. When Blue Water Baltimore was launched, there was little capacity for strategic communication plans. Without a unified sense of priority messages, the board will be less able to promote the new organization within the community or to potential new board members. The staff, involved with daily operations, may gain confidence about messaging more quickly, but that doesn’t guarantee that all board members will feel the same. Blue Water Baltimore has since strengthened its messaging and hopes to add a communications position in the coming year. “I still don’t think the board and staff are consistently saying the same thing. We don’t have the elevator speech yet,” said board member Jason Copeland.

6) Strategic planning is important, but should be well timed. The ways in which a merged organization grows and changes are difficult to predict, and it’s important to reassess decisions frequently during the first few years. The staff and board of Blue Water Baltimore now believe the organization is finally ready for long-term strategic planning and the process has begun. Merger issues will eventually give way to challenges typical of any nonprofit organization, like fundraising and board recruitment. “But that’s good,” said executive director Halle Van der Gaag. “That’s a normal struggle, not just the struggle of a group that’s merged.”

“We’ve drawn wonderful people who are infusing the board with new perspectives. It’s great to have that energy.”
Robin Leone, Blue Water Baltimore Board of Directors

Blue Water Baltimore’s Clean Water Communities program helps with stewardship outreach, like storm drain stenciling shown here, as well as on-the-ground projects to protect and restore local waters.
The five watershed groups that created Blue Water Baltimore varied in both size and budget. The smallest of their annual budgets was approximately $41,000; the largest was $497,000. Neither approaches the $1.4 million budget that Blue Water Baltimore secured during its first year or its $2.5 million budget during 2013. In terms of both human and financial resources, Blue Water Baltimore has become one of the largest watershed organizations in Maryland.

Rapid growth in finances and programs changed Blue Water Baltimore’s administrative needs. Bookkeeping systems of the founding groups differed greatly. Consolidating the records and establishing new procedures took considerable time and energy. This improved internal operations and also helped address the growing complexity in reporting on the responsible and productive use of donated dollars. A full-time finance administrator and full-time development manager joined the staff in 2011.

Administrative and management needs continue to increase as Blue Water Baltimore grows. However, grants typically support tasks more directly related to programmatic activities. As a result, the Board of Directors has renewed its focus on raising unrestricted dollars through membership campaigns, corporate gifts, and individual donations.

Lessons Learned

1) Increasing geographic scope, programs, and staff capacity can help an organization compete for larger grants. This was the hope for Blue Water Baltimore, and it turned out to be true. Grantmakers who had not funded some of the merging groups, or who had funded them at limited levels, have increased their contributions. Support from the Rauch Foundation has grown from approximately $50,000 annually before the merger to $135,000 in 2013. The Campbell Foundation, focused on environmental policy and advocacy, had supported the Baltimore Harbor WATERKEEPER before the merger but wasn’t able to fund the other groups that worked primarily on restoration projects. “Now that their work falls within our scope

“ It’s thanks to the foundation community that this merger has been successful.”
Fiona Newton, Blue Water Baltimore Board of Directors

Blue Water Baltimore runs a native plant nursery for both wholesale and retail customers. The nursery generates more than $100,000 in revenue that supports Blue Water Baltimore programs.
of funding, we’re able to provide a grant for Baltimore advocacy,” said program officer Julie Hester.

Jamie Baxter of the Chesapeake Bay Trust said that Blue Water Baltimore is much more competitive for large grants. “They receive a larger grant in part because they are a larger organization, with more capacity to leverage skills and matching funds,” Baxter said. “They have quality, experienced staff who can invest time in the organization and build a stronger board that brings financial and intellectual resources to the table.”

2) **Frequent, honest communications with grantmakers is critical.** During the merger process, Blue Water Baltimore established open, regular communication with grantmakers. Grantmakers were open to hearing questions, ideas, and concerns, and provided frank feedback. Communication continued after the organization was launched. The exchange helped with program support and was critical during the first year, when the executive director’s position was in question.

3) **The amount and sophistication of financial management needs will increase with the budget.** Growth in budget and programming will require greater skills for tracking, reporting, and showcasing financial performance. Early investments in technology and staff capacity for these tasks is worthwhile. Blue Water Baltimore hired professional, part-time help. The board’s finance committee became more engaged in financial oversight and budget projections, and program managers received training in managing budgets.

“Now you can look at our financial information and tell we are a healthy, strong organization,” said board member Theodore Scott. “That’s important to funders and it helps attract a high level of board members, too.”

4) **The merger itself is an opportunity for fundraising and membership drives.** Both the staff and board of Blue Water Baltimore believe they missed membership and fundraising opportunities during the introduction of the new organization. With many legal and pragmatic tasks at hand, communications took a back seat — which in turn limited their ability to conduct membership or fundraising drives that could build on the momentum of the merger. Separate membership databases remained an obstacle for months after the merger. “People were intrigued, but they couldn’t really capitalize on it,” said Cathy Brill of the Rauch Foundation.

5) **Leadership matters. Continuity does too.** Grantmaker confidence in the merger process, and the new organization as a whole, was sustained largely by their confidence in the existing staff and leadership. The Board of Directors took an important step by recognizing staff talent and committing to staff retention. This stabilized the staff at a time when the merger process — and fundraising capacity for the new organization — would have been vulnerable to additional internal change. Even as the position of executive director was in flux, grantmakers expressed no lasting concern because they were familiar with the leadership potential of the existing staff and witnessed the board’s responsiveness to the problem.
Looking Ahead

The merger that created Blue Water Baltimore is increasingly part of its history instead of its daily operations. The organization has gained standing as a voice for clean water in the Baltimore region and as a capable manager of large restoration projects. Now, conversations are increasingly geared toward defining program priorities and enacting outreach and fundraising strategies that will help the organization reach its full potential.

Board and staff members agree that Blue Water Baltimore was launched without a proactive communications plan and wish they had given placed greater emphasis on communications as the legal merger neared completion. Even so, their work quickly drew attention at the state and local level. Blue Water Baltimore has become well known by other nonprofit organizations, government agencies, and grantmakers.

But the organization, as well as its cause, is less recognized by the general citizenry whose participation is vital to success. “Lots of people still don’t know about us, or they know the name and not what we do,” said board member Frances Flanigan. “That’s a marketing challenge that has to be tackled.”

Strategic planning is helping to shape this process, in part by defining program priorities and looking at real or potential overlap with other nonprofit programs in the greater Baltimore area. “We need to be sure the roads we are headed down are those we are best served to travel,” said board member Theodore Scott. Advocacy and community organizing are expected to increase, creating more opportunities to introduce Blue Water Baltimore and explain its work.

The challenge is important for advancing their mission as well as for increasing financial support from the community. The demands of advocacy and restoration work continue to trigger questions about appropriate growth in programs and staffing, as well as the ability to pay for it. While foundations have provided much support for Blue Water Baltimore, leadership from the Board of Directors will become increasingly important for raising donations from corporate and individual donors. A recent four-star rating from Charity Navigator will also help to elevate the organization’s visibility among private donors.

“There’s no question we’ve got a brand recognition that did not exist before,” said board member Jason Copeland. “Now we need to increase our relationships with individuals and communities throughout the city, beyond the core supporters who stayed with us through the merger. It’s challenging work, but we are heading down the right path.”
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