

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

*Electronic* Application of Bluegrass Water )  
Utility Operating Company, LLC for an )  
Adjustment of Rates and Approval of )  
Construction )

Case No. 2020-00290

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**Bluegrass Water’s Motion for Confidential Treatment of Information**

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Bluegrass Water Utility Operating Company, LLC (“Bluegrass Water”), respectfully submits this Motion pursuant to 807 KAR 5:001, Section 13, for confidential treatment of certain information responsive to the initial requests for information in this case. In support of this Motion, Bluegrass Water states as follows:

1. On this date, Bluegrass Water filed its Responses to Commission Staff’s First Request for Information (“1 PSC \_\_”) and to the Attorney General’s Initial Data Requests (“1 AG \_\_”).
2. Bluegrass Water is seeking confidential treatment for its responses to 1 PSC 14, 1 PSC 18, and 1 AG 39. 1 PSC 14 seeks production of any third-party agreements for billing and operating services; 1 PSC 18 seeks information regarding the compensation for the corporate officers and employee groups of Bluegrass affiliate CSWR; and 1 AG 39 seeks compensation information for the employees of Bluegrass affiliate CSWR.
3. Bluegrass Water provided the third party contract for the agreement of its affiliate, Central States Water Resources, Inc. (“CSWR”) with Starnik Systems, Inc. (hereinafter “Starnik”) attached as redacted KY2020-00290\_BW\_0011-KY2020-00290\_BW\_0014. Bluegrass Water has also provided a document with the CSWR officer and employee group compensation information (hereinafter “CSWR Corporate Officer/Employee Group

Compensation”) attached as redacted KY2020-00290\_BW\_0078. Finally, Bluegrass Water has provided a document with the CSWR employee compensation information (hereinafter “CSWR Employee Compensation”) attached as redacted KY2020-00290\_BW\_0407.

4. Confidential treatment is being sought for certain information in the Starnik contract, the CSWR Corporate Officer/Employee Group Compensation document, and the CSWR Employee Compensation document – specifically, the dollar amounts contained therein in each of these documents. These documents for which confidential treatment is sought are contained in full in an unredacted copy submitted under seal.

5. All the documents herein for which confidential treatment is being sought are not publicly disseminated and public disclosure of this information would harm CSWR because these reveal sensitive information regarding the internal financial ability and workings of CSWR, a non-party who is not a utility nor is subject to regulation by the Commission. The sensitive, commercially-valuable, and financial information contained therein is not publicly distributed or disseminated outside of CSWR, and only disseminated internally to certain personnel with permission or a business reason to use it are permitted to view these documents, as well as sensitive personal information regarding the compensation of various employees. The redacted information in these documents for which confidential treatment is sought are treated as confidential by Bluegrass Water and its affiliates.

6. Under KRS 61.878(1)(c)(1), commercial information generally recognized as confidential is protected if disclosure would cause competitive injury and permits competitors an unfair commercial advantage. Public disclosure of the information in the documents for which Bluegrass Water seeks confidential treatment may cause competitive harm to CSWR in anticipated future acquisitions and operation of its systems in Kentucky.

7. If the Commission disagrees with Bluegrass Water that the material for which this Motion seeks confidential treatment is exempt from disclosure, it must hold an evidentiary hearing to protect the due process rights of Bluegrass Water and permit the opportunity to supply the Commission with a complete record to enable it to reach a decision with regard to this confidentiality request.

8. In compliance with 807 KAR 5:001, Sections 8(3) and 13(2)(3), Bluegrass Water is filing with the Commission a copy of the Starnik agreement, the CSWR Corporate Officer/Employee Group Compensation document, and the CSWR Employee Compensation document, entirely unredacted and with highlighting of the material for which confidential treatment is sought. The unredacted copies are filed under seal pursuant to the instructions regarding confidential filings in the 3/24/20 Order issued in Ky. PSC Case No. 2020-00085; redacted pages of the subject documents are being publicly filed with the electronic copy of this Motion.

9. Bluegrass Water would not object to the disclosure of the Starnik agreement, the CSWR Corporate Officer/Employee Group Compensation document, or the CSWR Employee Compensation document, pursuant to a confidentiality agreement with any intervenor who can demonstrate a legitimate interest in reviewing the confidential information for the purpose of participating in this proceeding.

10. 807 KAR 5:001, Section 13(2)(a)(2) provides that a motion for confidential treatment shall state the time period in which the material should be treated as confidential and the reasons for this time period. Movant respectfully submits that five years from the date of the filing of this Motion is a reasonable period of time for these documents to be treated as confidential in light of the competitive conditions in the water and wastewater industry.

WHEREFORE, Bluegrass Water respectfully requests that the Commission grant confidential treatment of the information described herein.

Respectfully submitted,

*/s/ Kathryn A. Eckert*

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*Attorneys for Bluegrass Water*

MOTION ATTACHMENTS

*(redacted versions are filed herewith; highlighted versions are filed under seal)*

KY2020-00290\_BW\_0011-KY2020-00290\_BW\_0014

KY2020-00290\_BW\_0078

KY2020-00290\_BW\_0407



\*\*Licensor Confidential\*\*

APPLICATION SERVICES AGREEMENT

THIS AGREEMENT ("Agreement") is entered into between Starnik Systems Inc. ("Licensor"), a Texas Corporation with its principal place of business located at 7820 Orlando Avenue, Lubbock, TX 79423, USA, and Central States Water Resources, Inc., ("Licensee") a Missouri Corporation with its principal place of business located at 500 Northwest Plaza Dr., Suite 500, St. Ann, MO 63074 and will be effective as of September 01, 2019, (the "Effective Date").

Each of the following documents is hereby incorporated by reference in this Agreement:

i. Licensor's General Terms and Conditions found at https://www.starnik.net/information/legal\_general\_terms.html as of the date of your signature below, including any addenda referenced therein (the "General Terms and Conditions") except that Section 5A shall read as follows: The initial term of this Agreement will commence on the Effective Date and will continue for a period of three (3) years. Thereafter, this Agreement will automatically renew for successive three (3) year periods unless either party gives the other party, not fewer than thirty (30) days before the end of the then-current period, notice of its intent not to renew, or unless terminated earlier as set forth below.

ii. Exhibit A - Initial Order Form, attached

iii. Schedule 1 - Pricing Schedule as of the Effective Date, attached

1. Entire Agreement

This Agreement, including all exhibits and schedules attached hereto, constitutes the entire agreement between the parties with respect to its subject matter and supersedes all prior agreements, proposals, negotiations, representations or communications relating to that subject matter. Both parties acknowledge that they have not been induced to enter into this Agreement by any representations or promises not specifically stated herein. The terms of any purchase order or any pre-printed or other forms (except Order Forms as specified herein) provided by Licensee either before or after the Effective Date shall not apply to this Agreement or to any Licensed Materials or Services provided hereunder.

2. Counterparts

This Agreement may be executed in multiple counterparts (which may be delivered by facsimile or electronic transmission, such as electronic mail), each of which shall be deemed an original and all of which will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

Licensor: Starnik Systems Inc.

By: Balu Viswanathan  
Name: BALU Viswanathan  
Title: CEO  
Date: 8-6-2019

Contact Information for Notices:

Address: 7820 Orlando Avenue  
Lubbock, Texas 79423

Telephone: 806-792-9863

Electronic Mail: balu@starnik.com

Licensee: Central States Water Resources, Inc.

By: J Cox  
Name: JOSIAH COX  
Title: PRESIDENT  
Date: 8/6/19

Address: 500 NORTHWEST PLAZA  
SUITE 500, ST ANN MO 63074

Telephone: 314-736-4672

Electronic Mail: JCOX@CSWRGROUP.COM

**CONFIDENTIAL**



\*\*Licensor Confidential\*\*

EXHIBIT A  
INITIAL ORDER FORM

THIS INITIAL ORDER FORM is entered into under the terms of that certain Application Services Agreement between Starnik Systems Inc. ("Licensor"), a Texas Corporation with offices at 7820 Orlando Avenue, Lubbock, TX 79423, USA, and the "Licensee" specified below dated as of the date specified below ("The Agreement").

Payment Terms: Fees will NOT be invoiced. The total amount of order for the first subscription period is due with delivery of this initial Order Form and subsequent fees are payable in advance by the 25th day of the month prior to the commencement of the Subscription Period to: Starnik Systems Inc., 7820 Orlando Avenue, Lubbock, TX 79423

Effective Date of Agreement: September 01, 2019  
Software:

- UtilityTrakR Core Module
- UtilityTrakR Premium Customer Portal
- UtilityTrakR Collections Module
- UtilityTrakR FastPay/AutoPay Module
- UtilityTrakR Document Management Module
- UtilityTrakR Mass Notification Module

Subscription Period (for payment purposes only): Annual (Actual Term of the Agreement is for 3 years)

Total number of units (premises); minimum of 10,000: 10,000

	Price / Unit	Total	
<b>Initial License Setup Fee (One time):</b>			
Setup Fees for initial units for the licenses shown below		\$	
One-Time Discount for Initial Setup		\$	
<b>Total Setup Fees for Initial Units:</b>		\$	
First installment of Setup Fee due on or before July 31st, 2019:		\$	
Second installment of Setup Fee due on or before October 1st, 2019:		\$	
	Units	Annualized Price/Unit	Annual Total
<b>Software License Fees (Annual)</b>			
Hosting, servers, backups, upgrades, support, service fee (minimum \$7,800 per year):	10,000	\$	\$
UtilityTrakR Core Module (CIS, Billing):	10,000	\$	\$
UtilityTrakR Premium Customer Portal: (minimum \$6,000 per year)	10,000	\$	\$
UtilityTrakR Collections Module: (Waived the first 2 years)	10,000	\$	Waived
FastPay/AutoPay Module - Base Fee:	Fixed Price	Fixed Price	Waived
FastPay/AutoPay Module - License Fee:	10,000	\$	\$
UtilityTrakR Document Management System - Base Fee:	Fixed Price	Fixed Price	Waived
UtilityTrakR Document Management Storage (sold in 1,000 MB blocks):	1,000 MB	\$	\$
UtilityTrakR Mass Notification Module license fee:		Fixed Price	\$
Additional campaign fees to be billed upon usage:			
Fee per campaign:			
Fee per text sent:			
Fee per email sent:			
Fee per minute for voice messaging:			
<b>Total annual license fee:</b>			\$
<b>Total due on or before July 31, 2019 (Annual license fee and 50% of Setup Fee):</b>			\$
<b>Balance of Setup Fee due October 1, 2019:</b>			\$

**NOTE:**

Fees are non-cancelable for the term of the Agreement and sums paid are non-refundable, except as expressly stated in the Agreement. Licensee may request an increase in Licensed Units in blocks of 500. Setup fees will apply for new units and annual license fees will be changed to reflect the increase in licensed units. Initial license fees for the additional units will be prorated quarterly and payable in advance. Receipt printers are not included.

**ACCEPTED AND AGREED:**

Licensor: Starnik Systems Inc.  
 By: Balu Viswanathan  
 Name: Balu Viswanathan  
 Title: CEO  
 Date: 8-6-19

Licensee: Central States Water Resources, Inc.  
 By: [Signature]  
 Name: JOSEPH COX  
 Title: PRESIDENT  
 Date: 8/6/19

7820 Orlando Avenue, Lubbock TX 79423  
Tel: 806-792-9863; [www.starnik.com](http://www.starnik.com)  
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**SCHEDULE 1  
PRICING SCHEDULE**

Setup, License and Other fees to access the following:

- UtilityTrakR Core Module
- UtilityTrakR Premium Customer Portal
- UtilityTrakR Collections Module
- UtilityTrakR FastPay/AutoPay Module
- UtilityTrakR Document Management Module
- UtilityTrakR Mass Notification Module

		<b>Total</b>
<b>License Setup Fees (One time):</b>		
UtilityTrakR Core Module, Premium Customer Portal, Collections Module, AutoPay/FastPay, Document Management Module, and Mass Notification Module	Price per unit:	\$ [REDACTED]
<b>License Fees (Annual):</b>		
Hosting, servers, backups, upgrades, support, service fee (\$7,800 minimum per year):	Price per unit:	\$ [REDACTED]
UtilityTrakR Core Module (sold in 500 unit blocks)	Price per unit:	\$ [REDACTED]
Special customer discount for units greater than 100,000	Discount per unit:	\$ [REDACTED]
UtilityTrakR Premium Customer Portal: (minimum \$6,000 per year)	Price per unit:	\$ [REDACTED]
UtilityTrakR Collections Module:	Price per unit:	\$ [REDACTED]
UtilityTrakR FastPay/AutoPay Module - Base Fee:	Fixed:	\$ [REDACTED]
UtilityTrakR FastPay/AutoPay Module - License Fee:	Price per unit:	\$ [REDACTED]
UtilityTrakR Document Management System - Base Fee:		\$ [REDACTED]
UtilityTrakR Document Management Storage (sold in 1,000 MB blocks):	1,000 MB	\$ [REDACTED]
UtilityTrakR Mass Notification Module license fee:	Fixed:	\$ [REDACTED]
Additional campaign fees to be billed upon usage:		
Fee per campaign: [REDACTED]		
Fee per text sent: [REDACTED]		
Fee per email sent: [REDACTED]		
Fee per minute for voice messaging: [REDACTED]		

Fees for other Services and Modules available on request.

**NOTES:**

1. All Fees are quoted in U.S. dollars.
2. Setup fees for additional licenses are due when additional licenses are requested.
3. This Pricing Schedule and all Fees quoted herein are subject to change from time to time as provided in Starnik's agreements with its customers.
4. THIS IS NOT AN ORDER FORM. Prospective customers must enter into an agreement with Starnik and submit an Order Form as provided in that agreement in order to subscribe to any software or order any services.
5. Price per unit will apply to all licensed units.

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Bluegrass Water Utility Operating Company, LLC  
 CSWR, LLC Employee Salaries & Benefits Cost  
 Case No. 2020-00290

Calendar Year 2018

<u>Name</u>	<u>Category</u>	<u>Salary</u>	<u>Overtime</u>	<u>Bonus</u>	<u>Healthcare-ER portion</u>	<u>Healthcare-EE portion</u>	<u>Dental-ER portion</u>	<u>Dental-EE portion</u>	<u>Vision-ER portion</u>	<u>Vision-EE portion</u>	<u>Life/STD/LTD-ER portion</u>	<u>Life/STD/LTD-EE portion</u>	<u>401k ER match</u>	<u>Total Company Expense</u>	<u>Total EE Contribution</u>
Cox, Josiah	Officer														
Thomas, Forrest	Officer														
	Exempt														
	Non-Exempt														
	Director														

Calendar Year 2019

<u>Name</u>	<u>Category</u>	<u>Salary</u>	<u>Overtime</u>	<u>Bonus</u>	<u>Healthcare-ER portion</u>	<u>Healthcare-EE portion</u>	<u>Dental-ER portion</u>	<u>Dental-EE portion</u>	<u>Vision-ER portion</u>	<u>Vision-EE portion</u>	<u>Life/STD/LTD-ER portion</u>	<u>Life/STD/LTD-EE portion</u>	<u>401k ER match</u>	<u>Total Company Expense</u>	<u>Total EE Contribution</u>
Cox, Josiah	Officer														
Thomas, Forrest	Officer														
	Exempt														
	Non-Exempt														
	Director														
	Manager														

Base Period - Calendar Year 2020

<u>Name</u>	<u>Category</u>	<u>Salary</u>	<u>Overtime</u>	<u>Bonus</u>	<u>Healthcare-ER portion</u>	<u>Healthcare-EE portion</u>	<u>Dental-ER portion</u>	<u>Dental-EE portion</u>	<u>Vision-ER portion</u>	<u>Vision-EE portion</u>	<u>Life/STD/LTD-ER portion</u>	<u>Life/STD/LTD-EE portion</u>	<u>401k ER match</u>	<u>Total Company Expense</u>	<u>Total EE Contribution</u>
Cox, Josiah	Officer														
Moore, Martin	Officer														
Thomas, Forrest	Officer														
	Exempt														
	Non-Exempt														
	Director														
	Manager														

Forecast Period

<u>Name</u>	<u>Category</u>	<u>Salary</u>	<u>Overtime</u>	<u>Bonus</u>	<u>Healthcare-ER portion</u>	<u>Healthcare-EE portion</u>	<u>Dental-ER portion</u>	<u>Dental-EE portion</u>	<u>Vision-ER portion</u>	<u>Vision-EE portion</u>	<u>Life/STD/LTD-ER portion</u>	<u>Life/STD/LTD-EE portion</u>	<u>401k ER match</u>	<u>Total Company Expense</u>	<u>Total EE Contribution</u>
Cox, Josiah	Officer														
Moore, Martin	Officer														
Thomas, Forrest	Officer														
	Exempt														
	Non-Exempt														
	Director														
	Manager														



**CSWR, LLC & Subsidiaries**

Employee Expense Detail

12/31/2020

<u>Last</u>	<u>First</u>	<u>Title</u>	<u>Function/Department</u>	<u>Start Date</u>	<u>Base Salary</u>	<u>Auto Allowance</u>	<u>Payroll Tax</u>	<u>Health/Dent</u>	<u>ER 401k Contribution</u>	<u>Life/AD&amp;D/STD Insurance</u>	<u>Annual Total</u>
1	Cox	Josiah	President	Executive Team	3/19/2014						
2	Mitten	Russ	General Counsel	Legal	6/10/2019						
3	Duncan	Mike	Dir. Business Operations	Business Operations	7/3/2018						
4	Culleton	Stacy	Dir. Customer Experience	Business Operations	2/11/2019						
5	Silas	Aaron	Business Analyst	Business Operations	10/30/2019						
6	Favor	Jami	Dir, Environmental Health & Safety	Environmental Health & Safety	1/22/2019						
7	Stephens	Kaleb	Environmental Health & Safety Auditor	Environmental Health & Safety	1/22/2019						
8	Moore	Marty	Chief Financial Officer	Accounting & Finance	4/24/2020						
9	Thies	Brent	Controller	Accounting & Finance	7/3/2017						
10	Indelicato	Mike	Accounting Manager	Accounting & Finance	1/7/2019						
11	Bean	Bridget	Senior Accountant	Accounting & Finance	2/26/2018						
12	Wilson	Tom	Accounting Manager	Accounting & Finance	4/1/2019						
13	Obernuefemann	Krista	Accounts Payable Manager	Accounting & Finance	9/24/2019						
14	Janowiak	Dan	Staff Accountant	Accounting & Finance	4/24/2017						
15	Thomas	Forrest	SR Vice President of Operations	Business Development	1/3/2017						
16	Nichols	Shawn	Dir, Bus Dev & Strategic Planning	Business Development	8/20/2018						
17	Freeman	Jake	Director of Engineering	Engineering	1/7/2019						
18	Neal	Sandy	Regional Director of Utility Acquisitions	Business Development	4/1/2019						
19	Meany	Jon	Utility Engineer	Engineering	4/9/2018						
20	Lucas	Ben	Engineer	Engineering	1/1/2020						
21	Havrilka	Curtis	Accounts Payable Clerk	Accounting & Finance	11/16/2020						
22	Chavez	Enrique	Utility Project Manager	Engineering	10/12/2020						
23	Dick	Michael	Environmental Compliance Specialist	Environmental Health & Safety	10/11/2020						
24	Alexander	Alica	Auditor, EHS	Environmental Health & Safety	2/1/2020						
25	Williams	Penny	Customer Service Specialist	Business Operations	1/6/2020						
26	Kriess	Fred	Regional Director of Utility Acquisitions	Business Development	3/16/2020						
27	Hoppes	Spencer	Dir, Financial Planning & Analysis	Accounting & Finance	8/3/2020						
28	O'Neill	Patrick	Financial Analyst	Accounting & Finance	6/24/2020						
29	McMahon	JoAnna	Regional Director, Utility Operations	Environmental Health & Safety	7/23/2020						
30	Davis	Katie	Regulatory Analyst	Business Operations	12/1/2020						
31	Keubler	Mandy	Office Manager	Business Operations	12/1/2020						
32	Whitten	Karissa	Paralegal	Legal	1/4/2021						