



**PUBLIC SERVICE BOARD MEETING
AGENDA ITEM
REGULAR MEETING
Wednesday, August 12, 2026**

SUBJECT

Sole source agreement with BadgerMeter, Inc for the wastewater collection system monitoring.

BACKGROUND

EPWater has a Capacity Management Operation and Maintenance (CMOM) program to maintain over 2,400 miles of wastewater pipelines and 43,000 manholes. SmartCover Systems are an advanced sewer monitoring system that provides real-time monitoring of wastewater levels and hydrogen sulfide in the collection system. EPWater is requesting to expand this program by replacing existing and buying additional SmartCover Systems level sensors and hydrogen sulfide sensors.

The sensors are used to optimize the cleaning of lines and reprioritize pipelines and manholes with a higher potential for corrosion and failure due to hydrogen sulfide. The SmartCover System will provide monitoring on a dashboard and issue high-level alarms to staff. This agreement will also provide for maintenance of the system by a local SmartCover Systems partner company.

PRIOR PSB ACTION

- Consider and approve a sole source services agreement with Hadronex, Inc. dba SmartCover Systems, pursuant to Section 252.022(a)(7)(A) and (D) of the Texas Local Government Code for the advanced monitoring of the wastewater collection system, for an estimated amount of \$1,229,220 for a term of one year with the option for two one-year extensions of \$628,960 each.

UTILITY KPI ALIGNMENT

Infrastructure Performance

EVALUATION PROCESS

SmartCover Systems products and software are patented and proprietary and were previously purchased from Hadronex, Inc. dba SmartCover Systems (Hadronex). Hadronex was purchased by BadgerMeter, Inc. And is the sole source for SmartCover Systems level sensors and hydrogen sulfide sensors.

FINANCIAL IMPLICATIONS

This expenditure is part of the approved budget.

PROPOSED ACTION REQUESTED

Consider and approve a sole source agreement with BadgerMeter, Inc. pursuant to Section 252.022(a)(7)(A) and (D) of the Texas Local Government Code for the advanced monitoring of the wastewater collection system, for an estimated annual amount of \$1,000,000 for a term of one year with four one-year options to extend contingent upon the vendor providing yearly documentation attesting to their sole source status.

SUPPORTING DOCUMENTATION PROVIDED

- Sole Source Affidavit
- Sole Source Letter



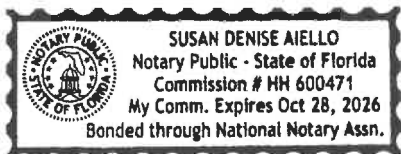
EL PASO WATER UTILITIES PUBLIC SERVICE BOARD

SOLE SOURCE AFFIDAVIT

Before me, the undersigned official, on this day, personally appeared a person known to me to be the person whose signature appears below, whom after being duly sworn upon his/her oath deposed and said:

1. My name is Dave Walker. I am over the age of 18, have never been of a convicted crime and am competent to make this affidavit.
2. I am an authorized representative of the following company or firm: Badger Meter, Inc.
3. The above named company or firm is the sole source for the following item(s), product(s) or service(s):
TAC II SCADA System, as well as Remote Terminal Units (RTUs), Telemetry Control Units (TCUs), Hyper SCADA Server (HSS), HyperTAC SCADA Software, and the Symphony Pump & Flow Management® technology.
SmartCover®; SmartFLOE™; SmartVault™; SmartWeir™; SmartClean®; SmartTank; SmartTrend®; SmartRain™; SmartTide™; UnderCover®; SubSonic®; H2Scents® and StreamWatch®.
4. Competition in providing the above named item(s) product(s), service(s) is precluded by the existence of a patent, copyright, secret process or monopoly as stated under Section 252.022, Subchapter A of the Local Governmental Code 7A or as provided for under 7B-F of the same section. Also, attached hereto is a sole source letter, which sets forth the reasons why this Vendor is a sole source provider (dated and signed).
5. There is/are no other like item(s) or product(s) available for purchase that would serve the same purpose or function.
6. **Note: This Vendor understands that by providing false information on this Sole Source Affidavit, it may be considered a non-responsible Vendor on this and future purchases and may result in discontinuation of any/all business with the El Paso Public Utilities-Public Service Board.**

SUBSCRIBED AND SWORN to before me on this 7th day of July 20 26



Signature

NOTARY PUBLIC

PRINTED NAME

MY COMMISSION EXPIRES

COMPANY NAME: Badger Meter, Inc

ADDRESS, CITY, STATE & ZIP CODE: 4545 W Brown Deer Rd Milwaukee, WI 53223

PHONE: 800-616-3837 FAX NUMBER: _____

CONTACT NAME AND TITLE: Wade Martin, Mid-South Account Manager wmartin@badgermeter.com

WEB ADDRESS: badgermeter.com EMAIL: credit@badgermeter.com; orders@badgermeter.com

FEDERAL TAX ID NUMBER: 39-0143280 TEXAS SALES TAX NUMBER: _____



This letter confirms that Badger Meter, Inc. (BMI) - the corporate entity that owns and operates the SmartCover brand—is the sole creator, manufacturer, and marketer of the following SmartCover systems and products: SmartCover®; SmartFLOE™; SmartVault™; SmartWeir™; SmartClean®; SmartTank; SmartTrend®; SmartRain™; SmartTide™; UnderCover®; SubSonic®; H2Scents® and StreamWatch®.

The SmartCover® family of products are both patented and proprietary, are designed and manufactured to provide users with unique qualities and functions based on acquiring water level and/or flow data as well as other data in the sewer collection system or other structures with open channel flows, using ultrasonic, pressure or combined technology combined with embedded analytics and data fusion. The SmartCover system, which acquires and transmits data through the Iridium® military grade satellite network, is immune to terrestrial communications interruptions caused by storms or hurricanes and provides 24/7 user access via a secure web browser and through a dedicated, secure user website.

The SmartCover system provides real-time, continuous monitoring capability powered by an engineered and proprietary long-life lithium thionyl chloride battery pack. It uniquely communicates with an embedded digital radio through the Iridium® satellite system assuring global, redundant and continuous coverage.

Mounted directly on the manhole cover, the patented SmartCover product configuration is designed to be installed with no confined space entry per OSHA CFR 1910.146(b). The manhole cover mounting also provides a real-time intrusion alarm when the manhole cover is opened, providing a unique capability to detect intrusions or entries into the manhole or hatch.

SmartCover solely provides ongoing professional services for management and security of data, software maintenance and upgrades, the user website interface and exercise of the Iridium Satellite communications system. These essential services directly enable users to have seamless, robust and ongoing access to real-time data from remote locations.

SmartCover products are protected by the following US Patents: 7,589,630; 7,598,858; 7,944,352; 7,948,215; 8,607,654; 9,297,684; 9,482,568; 10,612,228 and 10,901,068. The systems are also protected by registered trademarks and international patents. We hope this information will satisfy your requirements and that it clearly demonstrates the special, patented, unique and proprietary features of our systems.

Sincerely,

A handwritten signature in black ink, appearing to read "Kim Stoll", with a stylized flourish at the end.

Kim Stoll
General Manager, SmartCover
Badger Meter, Inc.