



PRESS RELEASE

January 25, 2024

Fenner Gap and Victor Valley Water Agencies Launch “One Water” Initiative

One Water plan will integrate High Desert infrastructure investments in reclamation, treatment, storage and pipeline facilities to enhance groundwater recharge, improve water quality and increase reliability of local water supplies in the Mojave Basin.

Los Angeles, California (01.25.24) – Cadiz, Inc. (NASDAQ: CDZI/CDZIP, the “Company”) announced that Fenner Gap Mutual Water Company (FGMWC) has signed a Letter of Intent with the Victor Valley Wastewater Reclamation Authority (VWVRA) to develop a coordinated investment strategy for water infrastructure in San Bernardino County’s Mojave Basin region. FGMWC is the non-profit corporation established by the Company to distribute water supplies from the Cadiz Water Conservation, Supply and Storage Project. VWVRA is a Joint Powers Authority providing wastewater treatment, water recycling, and renewable green energy, whose members include the City of Victorville, City of Hesperia, the Town of Apple Valley and San Bernardino County Special Districts 42 and 64.

The ambitious plan to integrate public, private and multi-agency financing resources for the design, construction and operation of water infrastructure will incorporate recycled water from VWVRA’s wastewater treatment plants in the Mojave Basin with pipeline facilities and water supplies from Cadiz in the eastern Mojave to create a regional “one water” plan that benefits the whole region.

“Regional planning of water infrastructure is the key to sustainable water management for the entire Southwest” said Susan Kennedy, Chief Executive Officer of Cadiz. “Coordinating the design and operation of pipelines, reclamation facilities, recharge basins and storage will not only increase water supplies through efficiency and conservation but will improve the health and quality of groundwater basins throughout the region.”

“We have many sources of water supply in the Mojave Basin: natural river flow, groundwater, imported water, storm water and recycled water,” VWVRA’s General Manager, Darron Poulsen, said. “But in the end, there is only one water, and we have to think regionally and programmatically to achieve our supply reliability and water quality goals. The “one water”



concept is the foundation of regional planning that will allow us to achieve maximum benefits to the entire Mojave region and other areas of San Bernardino County.”

VVWRA owns and operates three wastewater treatment and conveyance facilities in the western Mojave’s Alto Basin and distributes 12,000 to 13,000 acre-feet of water resources per year to preserve the Mojave River ecosystem and facilitate groundwater replenishment in the Centro and Baja Basins. FGMWC and Cadiz own and manage groundwater resources in eastern Mojave watersheds including 220-miles of buried pipelines that can directly deliver water supplies to groundwater recharge basins in the Centro and Baja Basins.

FGMWC and VVWRA plan to collaborate with other local agencies on the expansion of pipeline and distribution facilities, advanced water treatment and collaborative recharge basins to cost-effectively capture storm water and manage imported water supplies. The agencies also plan to look at merging or integrating financing powers to maximize grant and municipal financing opportunities.

The Letter of Intent is attached (LINK).

About Victor Valley Wastewater Reclamation Authority

Founded in 1978, VVWRA serves a 279 square mile area that includes Apple Valley, Hesperia, Victorville, Spring Valley Lake and Oro Grande. VVWRA treats about 12 million gallons of wastewater per day. Wastewater that comes to the VVWRA plant goes through an extensive cleaning and disinfection process before being returned to the Mojave River as recycled water through direct discharge to the river or through percolation ponds located on VVWRA property. Solid waste is treated in large anaerobic digesters, where the resulting methane gas is collected and scrubbed by the VVWRA private partner Anaergia, who develops the gas into renewable natural gas (RNG). The finished RNG is injected into a Southwest Gas pipeline. Most of the RNG is being used by Toyota where it is converted into hydrogen for new vehicles being imported at their Port of Long Beach facility.

For more information, please visit <https://www.vvwraca.gov/>.

About Cadiz, Inc.

Founded in 1983, Cadiz, Inc. (NASDAQ: CDZI) is a California water solutions company dedicated to providing access to clean, reliable and affordable water for people through a unique combination of water supply, storage, pipeline and treatment solutions. With 45,000 acres of land in California, 2.5 million acre-feet of water supply, 220 miles of pipeline assets and the most cost-effective water treatment filtration technology in the industry, Cadiz offers a full suite of solutions to address the impacts of climate change on clean water access.

For more information, please visit www.cadizinc.com.

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Safe Harbor Statement

This release contains forward-looking statements that are subject to significant risks and uncertainties, including statements related to the Company's ability to secure any additional necessary permits for project development. Although the Company believes that the expectations reflected in our forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. Factors that could cause actual results or events to differ materially from those reflected in the Company's forward-looking statements include potential litigation that may delay project development, the Company's ability to obtain financing as needed, and other factors and considerations detailed in the Company's Securities and Exchange Commission filings.



Letter of Intent between Victor Valley Wastewater Reclamation
Authority and Fenner Gap Mutual Water Company to Establish
the Mojave-San Bernardino One Water Authority

This Letter of Intent (LOI) is entered into by and among Victor Valley Wastewater Reclamation Authority (VWVRA) and the Fenner Gap Mutual Water Company for purposes of developing, administering and implementing a regional, integrated One Water investment plan for Mojave Basin region of San Bernardino County.

RECITALS

Whereas, One Water is a holistic approach to water management founded on the principle that all water has value and should be maximized for beneficial use within a regional, integrated and sustainably-managed water system and requires looking at the water system on a regional basis in its entirety, considering the current and future needs of all its users, meeting human needs with environmental best practices and making cost-effective investments in infrastructure to preserve access and affordability for all.

Whereas, it is in the interests of the Parties and the region served by the Parties that the water resources the Parties share in common are responsibly managed, protected and conserved to the maximum extent feasible.

Whereas, it is in the interests of the Parties that the infrastructure necessary to manage, protect and conserve water resources in the region served by the Parties be designed and developed to utilize all potential sources of water to create water security, climate resiliency and equitable distribution of water resources in and among the Mojave Basin and other connected regions in San Bernardino County.

Whereas, VWVRA is a Joint Powers Authority providing wastewater treatment, water recycling, and renewable green energy, and treats about 12 million gallons of wastewater per day, whose members include the City of Victorville, City of Hesperia, Town of Apple Valley and San Bernardino County Special Districts 42 and 64.

Whereas, Fenner Gap Mutual Water Company ("Fenner Gap" or FGMWC) is a non-profit mutual benefit corporation formed in 2010 for purposes of managing and distributing 2.5 million acre-feet of groundwater resources from the Cadiz Water Conservation, Storage and Supply Project in the Cadiz Valley region of San Bernardino County ("Cadiz"), and is a member of Fenner Valley Water Authority, a Joint Powers Authority whose members include the County of San Bernardino and other public water agencies.

Whereas VVWRA owns and operates three wastewater water treatment and conveyance facilities in the Alto Basin and distributes 12,000 to 13,000 acre-feet of water resources per year to preserve the Mojave River ecosystem and facilitate groundwater replenishment in the Centro and Baja Basins.

Whereas, FGMWC and Cadiz own and manage groundwater resources in watersheds adjacent to the regions served by VVWRA and 220-miles of buried pipelines that can directly connect new waters supplies to groundwater recharge basins in the Centro and Baja Basins.

Whereas by integrating the design, construction and operation of water pipelines, recharge basins, storage, treatment and distribution facilities in and between the Mojave Basin and Cadiz Valley regions of San Bernardino County, we can provide water security and climate resiliency to the cities of Adelanto, Barstow, Hesperia, Victorville, the Town of Apple Valley, Hinkley, Daggett, Newberry Spring and other small, rural areas located in the unincorporated areas of the Mojave Basin region, and provide vital access to secure water supplies to other regions in San Bernadino County currently dependent upon importation of water resources from the State Water Project.

Whereas, it is the Parties intention to enter into a definitive agreement to design, develop and administer a regional, integrated plan for investment in critical water infrastructure for the treatment, storage and cost-effective delivery of water resources to communities in the Mojave Basin and San Bernardino County.

NOW THEREFORE, in consideration of the foregoing recitals, the Parties will exercise good faith and reasonable best efforts to convert this Letter of Intent ("LOI") into a final definitive public, private, partnership agreement ("Agreement") in collaboration with other participating agencies. The key terms of the Agreement are as follows:

1. Collaboration with Regional Entities

It is the intent of the Parties to collaborate with the cities of Victorville, Hesperia, Adelanto, Barstow, the Town of Apple Valley, Mojave Water Agency, San Bernardino County, the Mojave Desert Resource Conservation District in the design, development, construction and operation of water facilities necessary to utilize all potential sources of water to create water security, climate resiliency and equitable distribution of water resources in Mojave Basin and connected regions in San Bernardino County.

It is the intent of the Parties to coordinate the financial, technical and managerial resources of all entities participating in the Mojave-San Bernardino One Water project to optimize and access maximum available financial resources and implement a One Water plan in the shortest possible timeframe.

2. Long-Term Water Supply

Subject to the approval of and terms and conditions imposed upon the Parties by their respective governing boards, shareholders, member agencies and/or applicable law:

It is the intent of the Parties to coordinate the conservation and distribution of all potential water resources in the region including recycled water contributions from multiple wastewater treatment plants, storm water, and imported water from State Water Project and Cadiz, and the development of collaborative recharge basins for maximum beneficial use, conservation and storage of all potential water sources.

Fenner Gap will make available groundwater resources from the Cadiz Water Conservation, Supply and Storage Project in Cadiz Valley to participating entities for purposes of groundwater replenishment, water supply reliability and ecosystem preservation.

VVWRA will immediately convene a planning committee to identify optimal water conservation, treatment, recycling and distribution strategies benefitting the Mojave Basin and Mojave River ecosystem; and the distribution of water resources between Alto Basin and Baja, Centro Basin and between the Mojave Basin and other SWP-dependent regions of San Bernardino County.

FGMWC will immediately convene a financing committee to identify all potential sources of financing for an integrated, regional, multi-agency project financing plan including federal, state, local grant opportunities, municipal bonds, revenue bonds and other debt securities, low and zero interest loan programs and private sector and foundation grant opportunities.

Signatures



1/24/24
Date

Darron Poulson, General Manager

Victor Valley Wastewater Reclamation Authority



1/24/24
Date

Susan P Kennedy, President

Fenner Gap Mutual Water Company



Mojave Basin One Water Concept

The Mojave Basin is a vital resource in our region and protecting it to assure its beneficial use is all our responsibility. The basin has many sources of supply: *Natural River Flow, State Project Water, Storm Water and Recycled Water.*

There is only **One Water**.

We need to think more programmatically and regionally to achieve our large water supply goals.

One Water Concept Benefits

- ♦ Strategic beneficial use of all water sources
- ♦ Direct recharge to specific basins
- ♦ Cost sharing for common goals.
- ♦ Greater grant opportunities.
- ♦ Increased control of water quality.
- ♦ Enhance groundwater basin management.
- ♦ Regional approach to RW treatment
- ♦ Lower greenhouse gases and carbon footprint

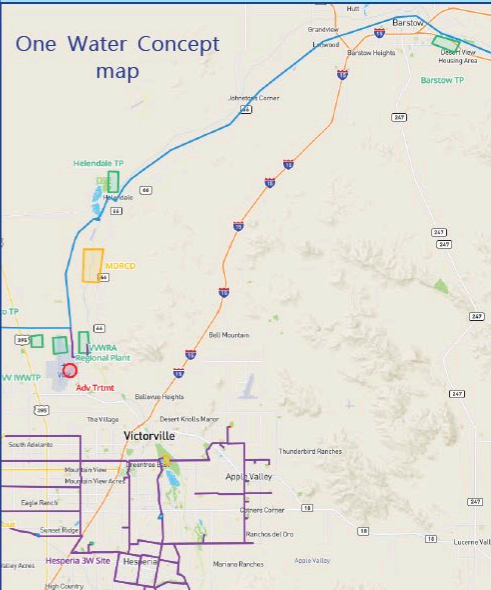
Larger One Water Concept Overview

- ♦ Multiple recycled water contributions from multiple wastewater treatment plants.
- ♦ Collaborative recharge basins for storm water, recycled water, and state project water.
- ♦ Regional recycled water distribution system.
- ♦ Advanced water treatment at SCLA to mitigate Air Force contaminated water plume.
- ♦ Treatment of recycled water for direct potable reuse.

Possible Partners

MWA – State Project Water	MDRCD – River Eco System
VVWRA – Recycled Water	Helendale CSD – Recycled Water
Victorville – Storm Water	Barstow – Recycled Water
Victorville IWWTP – Recycled Water	Barstow – Storm Water
County CSA64 – Storm Water	Adelanto – Recycled Water
Apple Valley – Storm Water	Adelanto – Storm Water
Hesperia – Storm Water	Air Force – Ground Water Plume
	RWQB – DDW – AQMD – Fish and Wildlife

One Water Concept map



One Water concept would integrate pipelines, groundwater recharge basins, groundwater storage banks and water treatment facilities in Mojave River Basin, Fenner Valley and Morongo Basin.

