

NEWS

# CADIZ

CADIZ, INC. | FEBRUARY 2023

## 2022 : YEAR IN REVIEW

MEET SUSAN KENNEDY : NEW CHAIR

CADIZ ACQUIRES FILTRATION COMPANY  
ATEC SYSTEMS, INC.

TWO SO CAL COMMUNITY  
LEADERS JOIN BOARD

CADIZ DEDICATES WATER TO  
THE SALTON SEA

CADIZ PARTICIPATES IN  
HISTORIC JV WITH LOCAL  
TRIBE & FARMWORKER ORG.





Dear Shareholders,

I hope this letter finds you well as we settle into 2023. Cadiz entered the year with strong momentum building on the transitions we experienced in 2022 with new board leadership, new community partnerships, a strategic acquisition of an advanced water treatment technology, and importantly, the acceleration of the Cadiz Water Project building our profile as an innovative water-solutions company. We are confident about continuing our momentum and even achieving greater progress in 2023.

This winter is further confirmation of the extreme bookends to California's new water reality into high definition – long dry periods interrupted by infrequent, dramatic atmospheric rivers, whose stormwater runs off into the ocean. California State Water Project deliveries will improve slightly in 2023, but our dry Colorado River system remains at a massive structural deficit, with California implementing shortage measures for the first time this year. The wild shifts between extended dry-periods and intermittent flooding will require new approaches to water management, and Cadiz can play an integral role in the development of responsive strategies.

And, we have raised our game. Susan Kennedy, who brought decades of business, government, and public-policy expertise to our board in 2021, was elevated to Executive Chair one year ago and immediately began implementing her vision: a sharp focus on technological leadership and providing clean, reliable water and know-how to disadvantaged California communities. (See an interview with Susan featured on Page 10.)

Susan recruited businessman Ken Lombard and former California Senator Richard Polanco to our diverse board, adding two more respected leaders who represent underserved communities. To underscore fundamental Cadiz values, she formed a board committee on equity, sustainability and environmental justice and crafted a series of first-of-their-kind partnerships that give communities long neglected by the state's water infrastructure the tools to help them ensure their water security.

To further that mission and spur growth, Cadiz made an important corporate acquisition this past Fall: water-filtration pioneer ATEC Systems. ATEC water filters are already helping dozens of systems in California and the West to cost-effectively address chronic contaminant issues like arsenic, chromium-6 and nitrates. There are more than 70,000 wells in California alone, primarily serving rural, disadvantaged, and disconnected communities, that are struggling with contamination and could benefit from filtration options. We expect ATEC treatment to be expansively deployed across Western states in a wide variety of settings.

We've also shored up our balance sheet, completing equity offerings and debt refinancing over the last six months, led by our largest shareholders and existing banks. These enabled us to accelerate the development of Cadiz Water Project facilities, including the conversion of the former fossil-fuel pipeline purchased in 2021, and scale the deployment of ATEC water-filtration systems. In the third quarter, we began construction of three new wells at the Cadiz Ranch that will boost capacity by 33% to 36,000 acre-feet per year (AFY), enough to operate the Northern Pipeline at full capacity (25,000 AFY) and support our sustainable agricultural operations at Cadiz Ranch. These wells are scheduled to be completed this quarter.

We greatly appreciate our investors' commitment to the Cadiz mission and expect that our progress in 2023 will reward your confidence. The combination of external conditions and the company's thoughtful planning position Cadiz for growth. California's wild pendulum swings from dry to wet have emphasized the glaring lack of groundwater storage, conveyance, and reliable water supplies. Cadiz can deliver solutions in all three areas. Our contribution to conservation – reducing vast amounts of water lost each year to evaporation – is also gaining recognition.

We are proud of the changes made in 2022, which you will see in the summaries of our operations featured in this newsletter and we are excited for the road ahead. As always, please do not hesitate to reach out if you have any questions. Thank you and best wishes for a successful 2023.

Sincerely,



Scott Slater



---

## TABLE OF CONTENTS

---

<b>I. LETTER TO SHAREHOLDERS</b> .....	<b>04</b>
▶ <b>A Q&amp;A WITH SUSAN KENNEDY</b> .....	<b>08</b>
<b>2. SCIENCE CORNER</b>	
▶ <b>THE CHALLENGE OF EVAPORATION</b> .....	<b>14</b>
<b>3. CORPORATE UPDATES</b>	
▶ <b>CADIZ INC. ANNOUNCES \$40 MILLION REGISTERED DIRECT OFFERING BACKED BY LARGEST SHAREHOLDER</b> .....	<b>18</b>
▶ <b>2023 NEW INVESTOR PRESENTATION</b> .....	<b>20</b>
<b>4. BOARD &amp; GOVERNANCE ANNOUNCEMENT</b>	
▶ <b>CADIZ BOARD OF DIRECTORS ESTABLISHES NEW EQUITY, SUSTAINABILITY AND ENVIRONMENTAL JUSTICE COMMITTEES</b> .....	<b>22</b>
▶ <b>SO CAL COMMUNITY LEADERS KEN LOMBARD &amp; RICHARD POLANCO JOIN BOARD OF DIRECTORS</b> .....	<b>26</b>
<b>5. CADIZ WATER UPDATES</b>	
▶ <b>CADIZ RESERVES WATER FOR THE SALTON SEA AUTHORITY AND TORRES MARTINEZ DESERT CAHUILLA INDIANS</b> .....	<b>30</b>
▶ <b>CADIZ TO EXPAND WELLFIELD TO 36,000 ACRE-FEET FOLLOWING SUCCESSFUL COMPLETION OF PIPELINE CONVERSION STUDY</b> .....	<b>34</b>
▶ <b>CADIZ ACQUIRES WATER TREATMENT FILTRATION TECHNOLOGY COMPANY ATEC SYSTEMS</b> .....	<b>36</b>
▶ <b>HISTORIC PARTNERSHIP ON WATER, JOBS AND ECONOMIC DEVELOPMENT FOR DESERT TRIBAL, FARMWORKER COMMUNITIES FORMED</b> .....	<b>40</b>
▶ <b>TECHNICAL REVIEW PANEL BEGINS WORK ON CADIZ WATER PROJECT</b> .....	<b>44</b>
<b>6. CADIZ RANCH UPDATES</b>	
▶ <b>2022 AG OPERATIONS</b> .....	<b>46</b>
▶ <b>CADIZ RANCH BEGINS CAREER-TECH TRAINING PROGRAM LED BY FARMWORKERS ORGANIZATION FOCUSED ON CLEAN WATER AND GROUNDWATER MANAGEMENT INNOVATION</b> .....	<b>58</b>
<b>7. INDUSTRY NEWS</b>	
▶ <b>ARTICLES &amp; STORIES WORTH A SECOND LOOK</b> .....	<b>52</b>

# Q&A: EXECUTIVE CHAIR SUSAN KENNEDY ON THE “NEW” CADIZ

“We are in position to play a major role  
in the future of California’s water infrastructure.”

*Since being named Executive Chair of Cadiz in February 2022, Susan Kennedy has used her skills and deep experience as an entrepreneur, high-level California government official, and public-policy authority, who has served on powerful state regulatory boards, to position Cadiz for near- and long-term success. She has accelerated development of the flagship Cadiz Water Project and added dynamic leaders to the Board to drive the Company’s honed focus on serving California communities that most urgently need access to clean, affordable, sustainable water supplies. Kennedy has also forged joint ventures and made strategic acquisitions establishing Cadiz as a diversified and innovative water-technology solutions provider. These moves have added capabilities and relationships that enable Cadiz to scale growth this year while raising the Company’s profile as a water solutions provider essential to resolving California’s urgent water crisis. Kennedy outlined her vision for 2023 during a Q&A session with members of the Cadiz team:*

**You assumed the leadership of Cadiz’s Board amid an extreme, persistent drought in California and the West. How has climate change impacted the Company?**

In a word: dramatically. Twenty years ago, Cadiz was a large groundwater storage project that Southern California water authorities wanted but didn’t need. The world looks very different today, as we saw last year when Lake Mead’s water level fell to historic lows. The new normal of climate change means that California’s two biggest safety nets – the Sierra snowpack and Lake Mead are now permanently unpredictable. With the addition of the Northern Pipeline to the Cadiz project, Cadiz now offers the solutions that Southern California needs to manage unpredictable, uncertain, and increasingly scarce resources, and the urgency with which people are looking at the innovative solutions Cadiz can provide has increased dramatically.

There’s also a recognition today that California cannot afford to waste billions of gallons of water to evaporation every year when entire communities face constant uncertainty about whether they’ll have running tap water every time there’s a drought. We have a massive natural resource in San Bernardino County, a groundwater reservoir as big as Lake Mead, and it is overflowing. Each year tens of thousands of acre-feet of water in the Cadiz aquifer drain to dry lake beds, only to evaporate in the heat of the desert. By conserving this water before it’s lost, Cadiz





is creating a sustainable new supply that can benefit communities in need. At the same time, by storing water underground in the Cadiz aquifer, the Cadiz project will shield water from evaporation – conserving another 10-20% of California’s stored water supply. Governor Newsom’s strategy to combat the water crisis focuses on conservation, improved storage, and new supplies. Cadiz delivers all three in a single innovative design.

### **What were your strategic priorities in your first year as Executive Chair?**

We made significant headway on several priorities that lay the foundation for delivering value to investors in 2023. We recruited talented and diverse Board members with deep ties to California’s underserved communities and political leadership, formed new partnerships with severely disadvantaged communities that will benefit from the Cadiz Water Project; expanded our portfolio of innovative water solutions to treat contaminated groundwater in ways that fit California’s new water reality; and we’ve made significant progress toward bringing the flagship Cadiz Water Project online.

Breathing new life into an existing, unused oil and gas pipeline by converting it to carry water changes everything. The Northern Pipeline links the Cadiz project to the State Water Project, and the Southern Pipeline connects with the Colorado River Aqueduct. Our unique location between California’s two main water arteries, with underground storage capacity the size of Lake Mead right here in California, changes Cadiz from a “nice to have” storage project to “must have” infrastructure critical to addressing California’s new water reality – the need to store water from “atmospheric rivers” and unpredictable snowmelt from the Sierras. And, because the Northern Pipeline repurposes existing oil and gas pipelines to transport water – the first in the world to do so - it enables Cadiz to begin delivering new water supplies in a fraction of the time it would take to build a new pipeline or canal. Given what’s happening with Lake Mead and the Colorado River, these advantages make Cadiz the most important water infrastructure project in California since the State Water Project was built.

### **What is the status of Cadiz’s right-of-way permits for the Northern Pipeline?**

In September, a federal court allowed the U.S. Bureau of Land Management to voluntarily remand two right-of-way (ROW) permits related to our plans to convert the former oil/gas pipeline to transport water so that the agency could conduct additional environmental review. This is a routine regulatory process, and we are working cooperatively with the BLM to process the permit applications and conduct any necessary environmental review. We don’t expect further delay in the implementation of the Cadiz project, and we are continuing to work on the pipeline while the

## KENNEDY ON THE “NEW” CADIZ - CONT'D

ROW application for a change of use to water is underway. In October, we finalized an initial engineering study for the pipeline conversion and accelerated construction of three new wells in order to supply the maximum capacity of the Northern Pipeline. We are making rapid progress.

### What is the strategy behind the acquisition of ATEC Systems?

Last fall, we acquired ATEC Systems, Inc., a pioneer in technologically advanced, cost-effective groundwater filtration systems for community, industrial, municipal, and agricultural use. ATEC's expertise in removing contaminants from drinking water supplies expands Cadiz's toolkit of cutting-edge water technologies, in particular those that are well-suited to serve small and rural community water systems in a lot of underserved areas. The next frontier for water in the West is reclaiming groundwater that has become unusable as a result of decades of industrial contaminants and agricultural runoff seeping into the groundwater. There are more than 78,000 domestic wells operating in contaminated groundwater in California, and regulators estimate the cost of curing those water quality violations at \$10.3 billion. Strong demand for groundwater filtration technology creates new revenue streams for Cadiz, and we expect to be able to scale that business not only in California, but in other states as well.

### What are the pillars of “the new Cadiz” and how else are you pursuing the new strategy?

“We started with who we are as a company. Last year, Cadiz recruited Board members who bring not only business acumen, strategic thinking, and community leadership, but also connection to communities that understand what it means to lack access to safe, clean, affordable water. It's very important to us that the leadership of our company reflects the diversity of California and the people we serve. The Board created the Equity, Sustainability and Environmental Justice Committee because these values are intrinsic to our mission and essential to our success as a business.

The second pillar of the strategy has been to dispel the outdated notion that Cadiz is a single-project company. The reality is that we are a water-solutions provider leveraging state-of-the-art technologies to conserve water for beneficial use and committed to pursuing water equity by building resilience in communities that are most impacted by water scarcity, while at the same time raising the bar of environmental stewardship.

The third pillar is cultivating partnerships with disadvantaged communities. Examples of this commitment include our agreements to donate water to Salton Sea restoration and the Torres Martinez Desert Cahuilla Indians, and installing ATEC filtration technology in tribal and farmworker communities that don't have easy access to



clean water today. We're also creating a state-of-the-art innovation center at Cadiz Ranch with an organization founded by Farmworker Leader Cesar Chavez - the Farmworker Institute for Education and Leadership Development, or FIELD, - to train farmworkers in climate-adaptive agriculture techniques, advanced water filtration technologies and groundwater management.

Cadiz is empowering communities by sharing tools to help them develop water resilience and economic self-sufficiency. These partnerships are the key ingredients of Cadiz' plan to change the face of water in California.”

### How will January's massive rainstorms ameliorating extreme drought conditions impact the Cadiz Water Project or the Company?

The recent storms have provided some welcome relief by building up the snowpack and restoring critical water levels at many California reservoirs, particularly in Northern California. But no one is kidding themselves that this brief respite from the worst drought in 1,200 years is anything but a reminder of the whole new reality we live in when it comes to water. Trillions of gallons of water poured from the sky in “atmospheric rivers” – destroying homes, roads and levees before rushing to the ocean. Our water grid was designed to store predictable snowmelt and channel 100-year floodwaters into storm drains. None of this rain will protect California from the next drought, which we know will be sooner than expected, more intense than before, and more devastating to more communities as the air and ground continue to warm with climate change. The collapse of Lake Mead during this extreme, extended drought was the turning point for water in the Western U.S. We live in a new reality, and we need new solutions. Cadiz is in position to play a major role in the future of California's water infrastructure.

### What are your expectations for Cadiz in 2023?

Buckle up. Cadiz has the only new source of water in the Colorado River Basin, along with the only new major storage capacity south of the Sacramento-San Joaquin Delta and west of Lake Mead. We will be the first in the world to convert an existing oil and gas pipeline to carry water, and we have the most cost-effective, versatile groundwater treatment technology in the Western U.S. After 20 years, the stars have aligned to make Cadiz a critical piece of the state's water supply network. We're shovel-ready to play a major role in making access to clean water the human right it's supposed to be.



## TORRENTIAL RAIN OR SEARING SHINE: UNDERGROUND STORAGE IS VITAL TO EASING CALIFORNIA'S WATER CRISIS

The torrent of rain in late December and early January represented the flip side of the historic drought that California endured in 2022. This latest destructive episode of extreme weather once again has exposed the vulnerabilities of the state's water infrastructure and underscored the urgent need for a solution.

The solution isn't just more water-storage capacity, but also a smarter strategy for water storage. Like underground water banking, the essence of Cadiz's vision and mission. The Cadiz aquifer has the capacity to store surplus water from wet years, with the added advantage of preventing water loss due to evaporation during the prevalent periods of heat and drought. As demands to build new reservoirs mount in the wake of the recent winter storms, underground storage options, like the Cadiz Water Project, deserve a closer look. They offer faster relief than man-made infrastructure projects and offer a solution to California's water crisis during both wet and dry weather extremes.

### Capturing Stormwater as a Policy Priority

Along with water conservation, recycling, and desalination, storage has been gaining the attention of California policymakers. In August 2022, Governor Gavin Newsom released a comprehensive water strategy that prioritized storage – above and below ground – to shore up the state's water supply. As part of his plan to increase California's water supply by 4.8 million acre feet (MAF) by 2030, some 3.7 MAF would come from storage initiatives.



Seven publicly funded projects he cited would account for most of that new capacity, of which four are underground storage and three are new or expanded reservoirs. The potential for underground storage is immense in California: Groundwater basins have more than three times the storage capacity of the state's surface reservoirs. Cadiz, itself, has the potential capacity to store 1 MAF of water underground once it is connected to the Colorado River and State Water Project arteries.

For the Newsom plan, the reality is that it takes years to approve and complete state water-infrastructure projects, and it has been decades since California built a new reservoir. Even as the recent rains partially replenished some major reservoirs, much more stormwater was lost to runoff. Meanwhile, many of the state's 500+ plus groundwater basins have been depleted due to a variety of factors, including over-pumping and mismanagement. For its part, Cadiz has the capacity to store and sustainably manage large quantities of groundwater, making it an asset in the state's effort to boost water supply and underground storage.

### Preventing Losses from Evaporation

While the heaviest rains in a decade has focused attention on stormwater, the longer-term threat to California's water security is arguably water loss during hot and dry weather. In the first six months of 2022, the state was off to its driest year since records began in 1895, according to the National Oceanic and Atmospheric Administration. The Sierra Snowpack, which supplies about one-third of the state's water, shrank to its lowest level in seven years. As a result, water levels in California's two largest reservoirs, Shasta Lake and Lake Oroville, fell to 40% and 55% of their respective capacities by the end of the rainy season in May.

We should expect this dangerous predicament to worsen amid climate change. California's water supply is on track to diminish by 10% from today's diminished levels within two decades, according to state projections.

The absence of precipitation is just part of the problem. Evaporation is a significant and often-overlooked culprit, greatly exacerbating the already-serious drought conditions throughout California and the Western U.S.

Warming temperatures mean that a considerable amount of rain is absorbed into drier, "thirstier" air before it even reaches the ground. The atmosphere then claims significant quantities of precious water that flows into reservoirs and surface storage bodies and is transported by open aqueducts. Our water supplies are quite literally vanishing into thin air.





Ivanhoe Reservoir near Los Angeles

### Initiatives to Reduce Evaporation

Scientific evidence of the growing evaporation threat due to climate change has spurred efforts to reduce evaporation. However, many proposed solutions have proven inefficient or impractical.

For example, in 2008, officials filled the Ivanhoe Reservoir near Los Angeles with hundreds of thousands of high-density polyethylene, partially water-filled “shade balls” to prevent build-up of algae and carcinogens, and to minimize evaporation. Though this method saved some 1.7 million cubic meters of water from evaporation over a 19-month period, the materials required almost 3 million cubic meters of water to manufacture. Shade balls are also impractical to deploy on large reservoirs.

Elsewhere, the state government is funding a proof-of-concept pilot project to place solar panels over open canals in the Turlock Irrigation District. The project is informed by research which estimated the state could save more than 190,000 acre feet of water by placing solar panels over all 4,000 miles of its public canals. The practicality and cost-effectiveness of this solution is yet to be proven.

### Underground Storage and Conveyance

The Cadiz Water Project’s combination of underground storage and conveyance in pipelines more effectively safeguards water that would otherwise be lost to evaporation.

Every year, an estimated 10 billion gallons of water evaporates out of the Cadiz and Bristol high-saline dry lakes, which are part of the Cadiz aquifer system. Water in the aquifer system continually moves from its high point in the surrounding mountains into the dry lake beds, with evaporation its only means of exit. Without focused engineering intervention, California will continue to lose this precious resource.

The Cadiz project will intercept the water before it reaches the dry lake beds via a system of groundwater wells. One pipeline will be built to deliver water to the Colorado River Aqueduct, and a second, existing pipeline is being converted from oil and gas conduit to carry water between Cadiz and the Central Valley. A comprehensive groundwater management plan including more than 100 monitoring installations and pumping limits will help ensure that the project operates sustainably.

The project is an example of the innovative mission-critical infrastructure needed to increase the resiliency of the entire statewide water system – rain or shine.

While scientists and water managers have long understood that evaporation claims much of our freshwater, new technologies make it possible to quantify this loss.

A 2022 study by scientists at Texas A&M University used satellite data to examine 1.4 million lakes around the globe. They found that the average evaporation from 1985 to 2018 was about 1,500 ± 150 cubic kilometers per year – enough to fill Lake Ontario and about 15.4% higher than previous estimates. Additionally, the rate of evaporation increased 58% during the time period.

For California, a 2019 study estimated that 50% to 80% of average annual precipitation across all natural and managed ecosystems in the state was lost to evaporation. Evaporative losses at the largest reservoirs in California can also be high, threatening not only water supply but also energy generation, as water levels in some major reservoirs are so low that they put at risk the very hydroelectric power plants they were built in part to create.

Water lost to evaporation is a major concern because of California’s reliance on a legacy system of surface storage in reservoirs, canals, and open-air aqueducts. This system does not offer protection from evaporation to preserve desperately needed water in a state that has declared the resource a human right yet has nearly one million residents who lack reliable access to safe drinking water.

## CADIZ INC. ANNOUNCES \$40 MILLION REGISTERED DIRECT OFFERING BACKED BY LARGEST SHAREHOLDERS

**Heerema IGS and Odey Asset Management lead investment in Cadiz to accelerate development of clean, affordable water supply, reduce Company debt, and provide significant infusion of working capital**

**LOS ANGELES, January 31, 2023** – Cadiz Inc. (NASDAQ: CDZI, CDZIP) (“Cadiz,” the “Company”) today announced that it has priced a registered direct offering (“Offering”) of 10.5 million shares of common stock for total gross proceeds of \$40.32 million. The Offering was led by the Company’s largest equity shareholders, Heerema International Group Services SA (“Heerema IGS”) and Odey Asset Management, with Heerema IGS maintaining beneficial ownership of approximately 35% of the Company’s common stock. Long-standing shareholders and several new investors also subscribed for shares priced in the Offering.

“We believe this financing puts Cadiz on the strongest footing possible to begin construction, operation and delivery of clean water solutions for the people of California,” said Susan Kennedy, Executive Chair of Cadiz. “This funding enables us to accelerate capital expenditures, reduce our debt and run on all cylinders over the next two years.”

The Company intends to use the net cash proceeds from this Offering to fund capital expenditures expected to accelerate development of the Company’s water supply and storage project, repay \$15 million in principal of its existing \$50 million credit facility with its lender B. Riley Commercial Capital, LLC (“B. Riley Commercial”), support the development of additional water resources to meet increased demand on an accelerated timetable, and provide working capital to the Company.

B. Riley Securities (“BRS”) acted as the exclusive placement agent in the Offering. The shares made available in the Offering were priced at \$3.84 per share, yesterday’s market closing price. The Offering is expected to close with net proceeds of approximately \$38.5 million to the Company on or about February 2, 2023 subject to the satisfaction of customary closing conditions.

In connection with the closing of the Offering, the Company and its wholly owned subsidiary, Cadiz Real Estate LLC (collectively, the “Borrowers”), expect to enter into an amendment to the existing credit agreement with B. Riley Commercial (“the Amendment”) that will reduce the principal amount outstanding to \$35 million and establish other provisions as described in a filing made today on Form 8-K with the Securities and Exchange Commission (“SEC”). Per the Amendment, subject to the satisfaction of specified conditions described in the Form 8-K, the maturity of the Company’s remaining debt outstanding will be extended to June 30, 2026.



The Offering was made pursuant to a shelf registration statement (File No. 333-257159) that was previously filed with the SEC and declared effective by the SEC on June 25, 2021. The Offering is being made only by means of a prospectus supplement that forms a part of the registration statement. A final prospectus supplement and an accompanying base prospectus relating to the Offering will be filed with the SEC and will be available on the SEC’s website located at <http://www.sec.gov>. Electronic copies of the prospectus supplement and accompanying base prospectus may also be obtained, when available, by contacting B. Riley Securities, Attention: Prospectus Department, 1300 North 17th Street, Suite 1300, Arlington, Virginia 22209; Telephone: (703) 312-9580, or by emailing [prospectuses@brileyfin.com](mailto:prospectuses@brileyfin.com).

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any of the securities described herein. There shall not be any offer, solicitation of an offer to buy, or sale of securities in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

## Cadiz Inc. Clean Water Solutions

NASDAQ: CDZI

### Cadiz: Leading Water Solutions Innovator

- Largest new groundwater bank in Southern California with storage capacity of 1 million AF, equal to the third largest reservoir in California
- Critically located to allow surplus water to be imported and stored in wet years for use in dry years

- Wholly-owned Cadiz subsidiary - ATEC Water Systems offers the most effective, cost-effective, and versatile water treatment technology in the Western United States
- Over 400 systems installed to date & potential to unlock clean water access for 70,000 community wells in California alone.

Two pipelines able to connect to major California water systems:

- Northern Pipeline - 220-mile, existing former oil/gas pipeline northwest from Cadiz to California Aqueduct being repurposed to water conveyance = 25,000 AFY capacity.
- Southern Pipeline - 43-mile, new pipeline in pre-construction southeast from Cadiz to Colorado River system along existing railroad line = 50,000+ AFY capacity.

50,000 acre-feet per year of sustainable, reliable and affordable water supply with no adverse environmental impacts.

**Cadiz Ranch:**

- Largest agricultural operations in San Bernardino County with 40 years of experience in desert farming.
- Most advanced data and groundwater monitoring systems to conserve and manage groundwater in a highly arid environment.

High-quality freshwater from our groundwater basin.

### What's Next

Execute Contracts with Public Agency Partners for Pipeline Development, Operations & Water Supply

Cadiz expects to enter into agreements with Public Water Agencies whereby:

- Cadiz will contribute its Northern Pipeline and an annual supply of 25,000 AFY of water from Cadiz into a mutual water company to be owned jointly by the parties.
- A JPA ("Joint Powers Authority") comprised of participating agencies will be able to purchase, for a 40-year term (take or pay), the 25,000 AFY of water for > \$850 per AF net to Cadiz at the wellhead, subject to annual price adjustments.
- Through a JPA, the Public Water Agencies can fund capital costs for conversion of the pipeline (from gas to water), construction of pumping stations and appurtenant facilities, by accessing infrastructure funding and grants to achieve their lowest possible cost for delivered water.
- Contracts and construction will be subject to standard environmental review and project level permitting process.
- Water supply (max 25,000 AFY) will be delivered via Northern Pipeline.
- Cadiz will continue to market remaining water supply that would be delivered via the Southern Pipeline (25,000 AFY), as well as storage rights. Expressed interest in storage and full capacity of Southern Pipeline.

10

### Value Proposition

CASH FLOWS FROM WATER PROJECTS

**RECURRING CASHFLOW STREAM**

\$50 M+ of Projected Annual Cash Flow from leases of Water Conservation & Delivery Infrastructure upon full implementation.

**WATER STORAGE**

\$500M of Additional Cash Flows Projected from the reservation of a minimum of 500,000 AF of Water Storage Rights (total storage capacity up to 1 Million AF).

**ANNUITY VALUE**

Projected \$1.7B Net Present Value of Water Delivery, Storage Cash Flows over 50 years

**UPSIDE POTENTIAL**

- Reservation of water storage rights above assumed 500,000 AF
- Market Adjustment of Lease Payments based upon value of water
- Cash Flows for ATEC Water Filtration Sales
- Joint Venture (Piute/ Danby watersheds) development with Torres Martinez Tribe and FIELD

11 Note: Above cash flows and net present value calculations are based upon internal assumptions and subject to change

## CADIZ BOARD OF DIRECTORS ESTABLISHES NEW EQUITY, SUSTAINABILITY AND ENVIRONMENTAL JUSTICE COMMITTEE

**LOS ANGELES, March 29, 2022** Cadiz is pleased to announce that the Company's Board of Directors has formed a new Equity, Sustainability, and Environmental Justice Committee ("ESEJ Committee"), effective immediately. The ESEJ Committee will focus on elevating the Company's mission dedicated to delivering water supply, storage, and conveyance opportunities equitably, especially to underserved communities, and ensuring Cadiz's projects, programs, and policies are sustainable and support communities that lack equitable access to water and the many quality-of-life benefits reliable water provides.

The ESEJ Committee will be chaired by Board Member Carolyn Webb de Macias, and include two additional non-executive board members, Maria Echaveste and Winston Hickox. The Committee will oversee the Company's development, implementation, and maintenance of policies, programs, and practices with respect to sustainability, environmental protection, environmental justice, equity, diversity, inclusion, and community engagement.

Director Webb de Macías is a community leader from Los Angeles County with an extensive career in public policy, higher education, and community engagement. Director Webb de Macias currently serves as Board Chair for the Partnership for Los Angeles Schools, a non-profit organization that manages 19 schools through a Memorandum of Understanding with the Los Angeles Unified School District, and as a Member of the Board of the Community Coalition of South Los Angeles, a community education and advocacy organization. Previously, Director Webb de Macías served in the office of Elementary and Secondary Education in the US Department of Education as an appointee of President Barack Obama from 2010-2012. Director Webb de Macías has been honored for her work in the community and was named a Black Woman of Achievement by the NAACP Legal Defense and Education Fund.



Director Webb de Macías commented on her appointment as Chair of the Cadiz ESEJ Committee: “In 2014, California recognized water as a human right, yet communities across the Los Angeles area – one of the wealthiest metropolitan areas in the world – still lack access to clean, reliable water when they turn on the tap. I am proud to chair the Cadiz ESEJ committee, which has made a commitment to drive sustainable solutions to this challenge.”

Director Maria Echaveste, a committee member, is a scholar with a distinguished career working as a community leader, public policy advisor, lecturer, senior White House official, and attorney. She is presently President and CEO of the Opportunity Institute, a California-based non-profit working to increase economic and social mobility focused on equity for the most vulnerable communities. She also serves on the board of directors of the Level Playing Field Institute, Mi Familia Vota, and UCSF Benioff Children’s Hospitals. Director Echaveste has held various roles at University of California at Berkeley, including as policy director of the Law School’s Chief Justice Earl Warren Institute on Law and Social Policy. Previously, Director Echaveste served as Assistant to the President and Deputy Chief of Staff for President Bill Clinton focused on issues relating to immigration, civil rights, education, finance, Mexico and Latin America, and as a special representative to Bolivia for Secretary of State Hillary Clinton. Director Echaveste also served as vice-chair of the California International Trade and Investment Advisory Committee, an appointment made by former Governor Jerry Brown.

Director Echaveste added about the new ESEJ Committee: “Equity of opportunity is reliant on equity of access to the basic needs of society, including clean water, safe infrastructure, and adequate housing. Immigrant communities suffer disproportionately from shortage of these basic resources when drought or a systemic crisis occurs. I am pleased to be a member of Cadiz’s efforts to be part of the solution to the State’s resource challenges.”

Director Hickox, the Company’s lead independent director and ESEJ Committee member, has led a distinguished career focused on environmental sustainability and protection in the resource development industries, including service as Secretary of the California Environmental Protection Agency (CalEPA) from 1999-2003 and as an appointee to the California Coastal Commission from 1997-1999. While CalEPA Secretary Mr. Hickox worked with California’s Treasurer in the development of a “Greenwave” investment strategy for the California Public Employees’ Retirement System (CalPERS) and the California State Teachers’ Retirement System (CalSTRS), which represented a precursor to Environmental, Social and Governance (“ESG”) investment strategies.



Then, Director Hickox served as Senior Portfolio Manager with CalPers and focused the pension fund’s assets on efforts that would accelerate the development of new technologies needed to address climate change, improve the energy efficiency of real estate investments, and support companies aggressive in their efforts to address climate change and other environmental impacts. Director Hickox also chaired the FTSE Environmental Markets Committee, served on the Board of the Sacramento County Employees’ Retirement System (SCERS), and Chaired the Market Advisory Committee, which helped prepare for the implementation of AB 32- California’s sweeping effort to address climate change.

Director Hickox commented: “To address the climate crisis and ensure sustainable access to critical resources in all communities, the private and public sectors must work hand-in-hand to offer a variety of opportunities that support change. I am delighted to be a part of Cadiz’s dedication to deliver solutions sustainably, innovatively, and as good stewards of the local environment.”

**Susan Kennedy, Executive Chair of the Board, added:**

*“Cadiz is on a mission to ensure all Californians have access to critical water resources, and I am grateful to Carolyn, Maria and Winston – leaders in their fields – for taking on this significant Board role of guiding the Company through the important effort of identifying all actions that Cadiz can take to ensure it is living up to the highest ideals of equity, justice, and sustainability.”*

# NEW APPOINTMENT: CADIZ INC. ANNOUNCES APPOINTMENT OF KEN LOMBARD TO ITS BOARD OF DIRECTORS

Lombard, a well-known civic and business leader from Los Angeles, holds over three decades of experience in business, real estate, urban development, and public service

Lombard served as Commissioner and President of Los Angeles Department of Water & Power, and on the Board of Directors of the Metropolitan Water District of Southern California

**LOS ANGELES, April 25, 2022** – Cadiz Inc. (“the Company”, NASDAQ: CDZI/CDZIP) is pleased to announce today that Mr. Ken Lombard has been appointed to the Company’s Board of Directors. Lombard is the President & CEO of BRIDGE Housing, a leading nonprofit developer, owner, and manager of affordable housing in California, Oregon, and Washington.

Over 30 years, Mr. Lombard has built an extensive career across a range of industries, including investment banking, urban development, corporate expansion, real estate investment and entertainment. His previous experience includes senior roles at Johnson Development Corporation, which he co-founded in 1992 with Earvin “Magic” Johnson, Starbucks Entertainment, Capri Capital Partners, MacFarlane Partners, and Seritage Growth Properties. Mr. Lombard holds an equally distinguished career in public service, including leading roles as Commissioner and President of the Los Angeles Department of Water & Power, as a Director on the Board of the Metropolitan Water District of Southern California, as President of the Los Angeles Fire Department Commission and the Los Angeles Charter Reform Commission.

“Ken’s extensive industry experience, financial acumen and commitment to underserved communities is unparalleled,” said Susan Kennedy, Executive Chair of the Cadiz Board. “With California facing crossroad after crossroad on the issues of water supply, affordable housing, economic opportunity, and climate change, I can think of no one better than Ken Lombard to help this company deliver on its mission for the people of California.”

“I’m pleased to have this opportunity to make a difference at such an important time in the fight against climate change,” said Director Lombard. “Water insecurity threatens not only our people and the environment, but also whole communities, our economy, our future and the quality of life that makes California so great. I look forward to being part of the solution as a member of the Board.”



Lombard’s appointment to the Board is effective immediately. Lombard will serve on the Board’s Audit and Risk Committee, which provides oversight of the Company’s financial statements, assessment of risk, and compliance with legal, security and regulatory requirements.

## **About Ken Lombard**

Ken Lombard is presently President & CEO of BRIDGE Housing, a leading nonprofit developer, owner, and manager of affordable housing. He joined BRIDGE in November 2021. Previously, from 2018-2021, Mr. Lombard held positions at Seritage Growth Properties (NYSE: SRG), most recently as Special Advisor, and previously as Seritage’s EVP and COO. Earlier, from 2016-2018, Mr. Lombard was President, Vice Chairman and Partner of MacFarlane Partners, an investment management firm that acquires, develops, and manages real estate assets on behalf of pensions and institutional investors. From 2009-2016, Mr. Lombard served as head of investments for Capri Capital Partners, and President of the Capri Urban Fund, which has invested over \$1 billion in commercial, residential, and mixed-use development, redevelopment, and repositioning projects in densely populated urban markets of the U.S. From 2004 to 2008, Mr. Lombard served as President of Starbucks Entertainment, where he managed the collaboration with Concord Music to form a new Starbucks music label. In 1992, Mr. Lombard and Earvin “Magic” Johnson co-founded the Johnson Development Corporation focused on economic improvement in underserved communities; Lombard served as President and Partner of Johnson Development Corporation until 2004.

Mr. Lombard has held several positions on public agency boards and commissions, including the Los Angeles Fire Department Commission, the Los Angeles Charter Reform Commission, the Los Angeles Department of Water and Power Board of Commissioners, and the Metropolitan Water District of Southern California Board of Directors, among others.

Mr. Lombard holds a Bachelor of Arts in Communication from the University of Washington.

Additional information about the Cadiz Inc. Board of Directors is available on the Company’s website at <https://www.cadizinc.com/board-of-directors/>

# NEW APPOINTMENT: CADIZ INC. ANNOUNCES APPOINTMENT OF RICHARD POLANCO TO ITS BOARD OF DIRECTORS

Former California State Senator and State Assemblyman represented Los Angeles area in the Legislature from 1986–2002, including as Senate Majority Leader 1998–2002 and as Chair of California’s powerful Latino Legislative Caucus 1990–2002;

Esteemed community leader brings 40 years of experience in public policy, economic development, environmental stewardship, and community empowerment to the Board.

**LOS ANGELES, July 27, 2022**– Cadiz Inc. (“the Company”, NASDAQ: CDZI/CDZIP) announced today that Sen. Richard Polanco (ret.) of Los Angeles – a longtime political and business leader, and champion for the state’s disadvantaged communities – has been appointed to the Company’s Board of Directors. His appointment fills an existing vacancy on the Board.

Sen. Polanco brings to the Board 40 years of high-level experience in elected office and the private sector with frontline expertise in public policy, economic development, risk management and community empowerment, among other areas. He served in the California legislature for 16 years, rising to some of the most powerful positions in Sacramento while authoring landmark bills across a wide range of policy areas, from clean drinking water to voting rights.

Expanding access to clean, safe, affordable water and related technologies in areas without a reliable water supply is a core component of Cadiz’s mission, along with sharing the economic benefits of water infrastructure investments. The appointment of Sen. Polanco underscores this mission as well as Cadiz’s commitment to reflecting the state’s diversity. With Sen. Polanco’s appointment, 50% of the Cadiz Board are members of underrepresented minority communities, including three women.

“Richard Polanco has dedicated his career to passionately advocating for underserved, disadvantaged California communities, making him a natural fit for leadership at Cadiz,” said Executive Board Chair Susan Kennedy. “As Cadiz rises to the urgent challenges amid unprecedented climate change and drought, Senator Polanco’s considerable skills and knowledge will help us in our work to secure a more sustainable and equitable water future for California.”



Sen. Polanco’s appointment is the latest leadership addition at Cadiz, which continues to evolve as a water-solutions provider for California – most recently with the acquisition of a 220-mile natural gas pipeline that will be converted to carry water, linking the Colorado River with the California State Water Project system and other critical water infrastructure. In April, respected L.A.-based real estate executive Kenneth Lombard was also appointed to the Board. In March, Susan Kennedy – a longtime political and business leader with an extensive background in sustainable energy and water – was appointed Executive Chair. Kennedy, Polanco and Lombard join other social justice leaders on the Cadiz board, including former White House deputy chief of staff Maria Echaveste and Los Angeles education advocate Carolyn Webb de Macías, who joined the Board in 2019.

Sen. Polanco began his career in public service in 1975 and later served as State Senate Majority Leader and Chair of the California Latino Legislative Caucus before entering the private sector in 2002. A native of East Los Angeles, he is currently managing director of Tres Es Inc., a boutique government affairs firm that specializes in public policy affecting disadvantaged communities.

“Cadiz is a tremendous public-private partnership that offers groundbreaking water solutions for California while keeping the needs of disadvantaged communities at the core of their operations,” Polanco said. “I look forward to joining this diverse group of capable leaders at a time when Cadiz’s resources, expertise and leadership are needed more than ever.”

Sen. Polanco’s appointment is effective immediately. He will serve on the Board’s Compensation and Equity, Sustainability and Environmental Justice Committees.

For more information about Sen. Polanco, please visit <https://www.cadizinc.com/board-of-directors/>



**CADIZ ANNOUNCES  
AN AGREEMENT TO PROVIDE WATER TO  
THE SALTON SEA AUTHORITY AND  
TORRES MARTINEZ DESERT CAHUILLA INDIANS**

Public-private partnership will dedicate 5,000 acre-feet of water per year for 50 years to the Salton Sea Authority and Torres Martinez Tribe and provide up to \$5 million in financing for water-pipeline infrastructure and water quality treatment technologies on tribal lands around the Salton Sea.

**LOS ANGELES, August 4, 2022**— Cadiz Inc. (NASDAQ: CDZI/CDZIP) (“Cadiz”, the “Company”) announced today that the Company agreed to dedicate 5,000 acre–feet of water per year to the Salton Sea Authority and Torres Martinez Desert Cahuilla Indians (“Torres Martinez Tribe”), and that the Company will provide up to \$5 million to install pipeline infrastructure and well treatment technology on tribal lands.



Cadiz agreed to provide water to the Salton Sea and the Torres Martinez Tribe as part of the Company’s commitment to ensure that clean, affordable water is available to disadvantaged communities through the Cadiz Water Conservation and Storage Project.

As California’s water crisis deepens, Cadiz is committed to ensuring that disadvantaged communities are not left behind,” said Executive Board Chair Susan Kennedy. “Cadiz’s mission is to capture water that is currently lost to evaporation, store it in the desert and transport it through pipelines that once carried oil by retrofitting those pipelines to carry water.”

The Cadiz Water Conservation and Storage Project, located in California’s high desert, was originally designed to store water from the Colorado River and transport it to metropolitan Southern California through a single pipeline connected to the Colorado River Aqueduct. The new project design adds a second pipeline to the north, utilizing an existing 220-mile underground pipeline to connect with the State Water Project system. The underground pipeline, originally built to transport oil, will be retrofitted to carry water to and from underground storage systems between the Colorado River and the State Water Project. Conserving, storing and transporting water underground before it is lost to evaporation creates a critical new water supply for drought-stricken communities in Central and Southern California. The Company acquired the 220-mile pipeline from El Paso Natural Gas in 2020 and is now preparing to retrofit the pipeline from oil/gas transport to water conveyance.

Under the terms of the Supplemental Water Supply Agreement with the Salton Sea Authority, Torres Martinez Tribe and the Coachella Valley Water District, Cadiz will dedicate 5,000 acre-feet of water from the Cadiz Water Conservation and Storage Project to the Salton Sea and the Torres Martinez Tribe for 50 years. The water will be used to support the restoration of the Salton Sea, satisfy health, safety and economic development needs on Tribal lands and benefit surrounding disadvantaged communities in eastern Coachella Valley.

The agreement also includes a plan to install water treatment technology on groundwater wells on Tribal lands to improve water quality and satisfy California Drinking Water Standards for domestic use. Within 60 days, Cadiz will determine the feasibility of installing well-treatment technologies to remove arsenic, nitrates and other contaminants plaguing groundwater supplies in eastern Coachella Valley and other parts of California. If feasible, Cadiz will install wellhead treatment technologies on Tribal lands at no cost to the Torres Martinez Tribe.





Cadiz agreed to provide water to the Salton Sea and the Torres Martinez Tribe as part of the Company’s commitment to ensure that clean, affordable water is available to disadvantaged communities through the Cadiz Water Conservation and Storage Project.

The Torres Martinez Tribe, a Federally recognized tribe, is a sovereign nation whose Reservation is in eastern Coachella Valley. Half of the 24,000-acre Torres Martinez Reservation includes land submerged under the Salton Sea. Extended drought conditions on the Colorado River have had heavy adverse impacts on the Salton Sea, including a reduction of inflow to the Sea and increases in toxic dust from dry lakebeds surrounding it. Conserved water from the Cadiz Project – water that is captured and transported before it becomes hyper-saline and evaporates – could be used to provide fresh water to the Sea for habitat, dust mitigation and reducing salinity as part of Salton Sea restoration efforts.

The Salton Sea Authority voted to approve the Supplemental Water Supply Agreement at its public meeting on May 26. Thomas Torte, Chairman of the Torres Martinez Tribe and a member of the Salton Sea Authority stated: “Water is life. Conserving water that would otherwise be lost to hyper-salinity and evaporation and using it to protect life in and around the Salton Sea is the best use of this precious resource.”

In addition to the 5,000 acre-feet per year that Cadiz is dedicating under the agreement, the Company will also make available supplemental water for disadvantaged communities in California, and for direct benefit of disadvantaged communities in Coachella Valley through the Coachella Valley Water District at reduced cost.

# NEW CONSTRUCTION: CADIZ INC. ANNOUNCES WELLFIELD EXPANSION AND COMPLETION OF PIPELINE CONVERSION STUDY

**Construction of three new wells at Cadiz property slated to begin Q4 2022, increasing wellfield capacity to 36,000 acre-feet.**

**LOS ANGELES, September 21, 2022** – Cadiz Inc. (NASDAQ: CDZI/CDZIP) (“Cadiz”, the “Company”) announced today that it will begin construction of three new groundwater wells at Cadiz Ranch in October and initial engineering study for the conversion of the Company’s 220-mile oil and gas pipeline to transport water (“Northern Pipeline Project”) has been completed. Once the three new wells are constructed and come online in early 2023, Cadiz will have 12 wells in operation with a total capacity of 36,000 acre-feet of water per year (AFY), a 33% increase over the current wellfield production capacity of 27,000 AFY.

Cadiz retained global engineering firm Stantec (NYSE: STN) to conduct the engineering study for the Northern Pipeline Project. The study identifies practical off-take locations, pumping stations, cleaning, retrofitting and other improvements that will enable the pipeline to be pressurized and convey approximately 25,000 AFY of water uphill from Cadiz to Barstow on its way to the State Water Project, and approximately 30,000 AFY downhill into Cadiz for storage.

“With so many communities desperate for water, we are urgently working to complete construction of our infrastructure and put it to beneficial use as soon as possible for people, farms, and communities in need,” said Scott Slater, Chief Executive Officer of Cadiz. “With these new wells online, our wellfield will have sufficient capacity to fill our Northern Pipeline and meet the needs of our agricultural operations.”

The Cadiz wellfield at the Ranch captures groundwater that would otherwise be lost to evaporation from the Mojave Desert watershed. Over three decades, Cadiz has developed sophisticated water conservation technologies to irrigate and sustainably grow commercial crops, including citrus, hemp, and grain crops, in extreme arid conditions. The Cadiz Ranch agricultural operation follows a sustainable groundwater management plan that has been administered by the County of San Bernardino since 1993.

In 2012, the Desert Research Institute conducted measurements of evaporation rates from the Bristol and Cadiz Dry Lakes located at the base of the watershed. Based on their measurements, the combined annual evaporation is conservatively estimated to be 31,590 AFY. In October 2012, the County of San Bernardino approved the Cadiz Water Conservation and Storage Project and an enhanced groundwater management plan that authorized the recovery of an average of 50,000 acre-feet per year for 50 years for use in California communities.

Conserved water not used for irrigation would be stored in the aquifer or transported to communities in need via two pipelines, including the 220-mile Northern Pipeline, which is already in the ground.

“Our analysis found the Northern Pipeline can be readied for water service quickly, giving the Cadiz Water Project one of the shortest timelines to delivering new water to the region,” said John Hanula, Senior Vice President, Global Major Pursuits for Stantec.

The three new wells will be built by the San Bernardino County office of Yellow Jacket Drilling Services LLC in accordance with existing permits. Cadiz will fund the construction with working capital.



# WATER TECH: CADIZ INC. ANNOUNCES AGREEMENT TO ACQUIRE WATER TREATMENT TECHNOLOGY COMPANY ATEC SYSTEMS

**Acquisition of pioneering water tech firm accelerates Cadiz’s growth as a leading-edge water solutions provider, and furthers its commitment to improving reliable access to clean and affordable water in California communities**

**LOS ANGELES, October 25, 2022** – Cadiz Inc. (NASDAQ: CDZI, CDZIP) (“Cadiz,” the “Company”) today announced a definitive agreement to acquire ATEC Systems, Inc., (“ATEC”), a leading provider of technologically-advanced, cost-effective groundwater filtration systems for community, municipal, agricultural and industrial use.

Adding the ATEC business to the Cadiz portfolio diversifies its range of innovative, sustainable clean water solutions and expands Cadiz’ mission to provide safe, affordable drinking water to underserved communities. The Company’s flagship initiative is the Cadiz Water Conservation and Storage Project (“Cadiz Water Project”), which captures surplus groundwater before it evaporates in the desert and stores it underground. Cadiz will transport conserved and stored water to communities in Central and Southern California through a network of underground pipelines that once carried oil. Capturing, storing and transporting water underground saves billions of gallons of water from evaporation each year– enough to serve millions of homes in communities impacted by drought.

“We are proud to combine our expertise with ATEC in delivering innovative and affordable water solutions, particularly for small, rural and low-income communities without the financial resources to access to safe, reliable water supplies,” said Susan Kennedy, Executive Chair of the Cadiz Board. “ATEC’s technology and expertise in conjunction with our state-of-the-art conservation and conveyance technologies will help us deliver affordable clean water solutions to communities throughout and beyond California.”

ATEC, a closely held firm based in Hollister, California, has produced water filtration systems since 1982. It initially pioneered technology to provide a cost-effective high-rate removal of iron, manganese and then expanded its reach to a full range of contaminants, including, arsenic, Chromium-6, nitrates, and other contaminants found in groundwater that pose serious health risks in drinking water..



*“We are proud to combine our expertise with ATEC in delivering innovative and affordable water solutions, particularly for small, rural and low-income communities without the financial resources to access to safe, reliable water supplies,”*  
—Susan Kennedy

Cadiz has been engaged in a strategic partnership with ATEC since 2015. The Company installed ATEC systems to test the removal of naturally occurring minerals for operation of the Cadiz Water Project and identified ATEC as the best in class, most cost-effective treatment technology for removing minerals from groundwater supplies.

There are more than 3,000 public water systems in California with 2 or more water quality violations per system and 78,000 groundwater wells operating in contaminated basins in California alone. More than 800 California community water systems are out of compliance with, at risk or consistently fail to meet primary drinking water standards. The California State Water Resources Control Board has estimated that the cost of curing this problem is more than \$10B. ATEC can provide a cost-effective alternative to the treatment challenge.

“ATEC’s strength is the versatility of its designs which can service both small and large systems through compact-footprint filter systems tailored to remove the specific contaminants in each groundwater basin.” Kennedy added. “ATEC’s highly efficient design and low operating costs makes it the most cost-effective solution on the market for both large municipal and small community water systems to address the growing threat of groundwater contamination in California and nationwide, including Chromium 6, nitrates, arsenic, industrial pollution and ‘forever chemicals.’”

ATEC has built more than 450 water filtration systems for cities, water districts, investor-owned utilities and small communities and businesses in 10 U.S. states, as well as Canada and Sri Lanka, with system treatment capacities up to 60 million gallons per day (mgd). ATEC systems can be scaled in size to serve small, rural communities as well as larger municipalities, and require less maintenance and upkeep than traditional filtration systems.

The acquisition is expected to close this month. ATEC will retain its name and operate as a unit of Cadiz led by Lee Odell as the Chief Operating Officer. Odell is a leading water treatment engineer, who has been consulting for ATEC and previously led water quality divisions for large global engineering firms including Jacobs, CH2M and Montgomery Watson. He brings with him a first-hand knowledge of and experience with the ATEC technology and will lead an innovative effort to broaden the technologies' application to a full suite of groundwater contaminants, building on the success of the company's founder and principal owner, Dave Ketchum, who is retiring after a short transition period.

**“Cadiz sees the potential for our treatment technology, and they have expressed a deep commitment to continuing our mission to provide a cost-effective and versatile treatment technology that can be customized to each customer’s needs,” Mr. Ketchum said.**

“I look forward to joining forces with Cadiz, a longtime ATEC partner and fellow water-solutions innovator,” Odell said. “Together, we will have the capability to serve more communities in more ways at a time of critical need.”

Cadiz has launched several initiatives to provide clean water, technology, and water-conservation training to disadvantaged communities. In September, it signed an agreement with the Farmworkers Institute of Education & Leadership Development to build a state-of-the-art innovation center to provide work-based training for members of poor, minority communities. That followed an August agreement with the Salton Sea Authority and Torres Martinez Desert Cahuilla Indians to donate water, infrastructure financing, and water treatment technology to serve tribal communities and help remediate the impacts of evaporation at the Salton Sea. ATEC technology is being used to provide filtration systems at tribal wells to ensure safe drinking water on tribal lands.

Terms of the definitive agreement with ATEC were not disclosed. The acquisition will be completed with existing cash resources.



## WATER UPDATES

# HISTORIC PARTNERSHIP ON WATER, JOBS AND ECONOMIC DEVELOPMENT FOR DESERT TRIBAL, FARMWORKER COMMUNITIES

**LOS ANGELES, January 23, 2023** THERMAL, TEHACHAPI and CADIZ, California – A federally-recognized Native American tribe and an organization founded by Farmworker Leader Cesar Chavez today announced a historic agreement to form a joint venture with a private land owner that will generate water, jobs and economic development in tribal and farmworker communities in California. This collaboration is the first known strategic business partnership between a Native American tribe and farmworkers in the U.S.

Under the agreement, the Torres Martinez Desert Cahuilla Indians (“TMDCI”), a federal sovereign Tribe, the Farmworkers Institute of Education & Leadership Development (“FIELD”), and Cadiz, Inc., a California water solutions company, will form a joint venture partnership to develop 11,000-acres of land in the Eastern Mojave Desert. Water and proceeds from the project will be shared equally among the parties and is expected to accelerate workforce and infrastructure development, economic diversification and generational wealth building benefitting mainly tribal and farmworker communities in California’s Coachella Valley and underserved areas in Riverside, San Bernardino, Los Angeles, Imperial and Kern Counties.

“For Native Americans, water is Life – physically, economically and spiritually,” said Tribal Chairman, Thomas Tortez. “This unique partnership gives our Tribe financial and technical resources to be stewards, not only of our Native lands, but of our future.”

“Cesar Chavez’ ultimate vision was to inspire farmworkers and others in poor, minority communities to gain self-sufficiency,” said David Villarino, President of FIELD. “This unique business partnership will give farmworkers the tools to adapt to the grave threat of climate change, and the means to build a self-sufficient future for themselves and their families.”

“This is a historic venture,” said Susan Kennedy, Executive Chair of Cadiz, Inc. “There has never been a public-private partnership like this before. What the TMDCI and FIELD are creating is a roadmap for how to turn water scarcity into a secure and sustainable future.”



“For Native Americans, water is Life – physically, economically and spiritually,”

said Tribal Chairman, Thomas Tortez

The joint venture envisions developing 11,000 acres of land owned by Cadiz separate and independent from the Company’s 35,000-acre Cadiz Valley property to sustainably manage the groundwater basins and make surplus groundwater available for beneficial uses, including farming, housing, and economic development in less fortunate communities. The lands include 9,000 acres in the Piute watershed near Needles, California and 2,000 acres in Ward Valley near Danby Dry Lake. Portions of the land may be maintained as conservation easements for Desert Tortoise and other wildlife or utilized for renewable energy development. Under the terms of the agreement, TMDCI, FIELD and Cadiz will work to cooperatively to identify opportunities to utilize the properties for beneficial uses.

Cadiz will contribute the land to the joint venture and provide technical and financial support for development efforts; FIELD will develop technical education programs to train farmworkers and tribal members in sustainable groundwater management and adaptive agricultural practices for extreme arid climates; and TMDCI will utilize water and revenue generated from the venture for sustainable economic development that benefits tribal and farmworker communities in and around the Coachella and Imperial Valleys.

This is the second collaboration between FIELD and Cadiz. Last September, Cadiz and FIELD announced an agreement to create a state-of-the-art Innovation Campus at Cadiz Ranch to provide work-based training, education and business opportunities for farmworkers. As part of that initiative, FIELD launched an English as a Second Language program at Cadiz for Ranch staff in support of the Career Technical Education (CTE) program operating within FIELD’s EPIC de Cesar Chavez High School.

TMDCI is a federally-recognized Tribe and sovereign nation whose people have inhabited California’s desert regions since time immemorial. The Torres Martinez Reservation is located in Eastern Coachella Valley. Approximately half of the Tribe’s reservation lies beneath the Salton Sea, which is heavily impacted by extended drought and conditions on the Colorado River resulting in reduced inflow to the Sea.

Groundwater filtration systems will be provided by ATEC Water Systems LLC (ATEC), a pioneering water technology firm and wholly owned subsidiary of Cadiz. ATEC was acquired by Cadiz in 2022 as part of the Company's overall commitment to improve reliable access to clean, affordable water supplies in California.

#### **About FIELD**

FIELD is 501(c)3 non-profit founded and established in 1978 by Farmworker Leader Cesar E Chavez, whose ultimate vision was to inspire farmworkers and the rural workforce to gain self-sufficiency through employee-owned social enterprises. For more information, please visit: <https://www.farmworkerinstitute.org/>

#### **About TMDCI**

TMDCI is a Federally recognized tribe and sovereign nation whose people have inhabited California's desert regions since time immemorial. Torres Martinez Desert Cahuilla Indians' vision is to create opportunities in education, economic development, social services and other aspects of life for its tribal members and employees to become productive citizens and neighbors, thus creating a more harmonious community. For more information, please visit: <http://torresmartinez.org/>



# ANNOUNCEMENT: TECHNICAL REVIEW PANEL BEGINS WORK ON CADIZ WATER PROJECT

**Panel of independent scientists established to set baseline aquifer and watershed conditions in preparation for monitoring of project operations**

**LOS ANGELES, February 2, 2023** – Cadiz, Inc. NASDAQ: CDZI, CDZIP (“Cadiz,” the “Company”) announced today that the Technical Review Panel (“TRP”) responsible for technical oversight and environmental monitoring of the Cadiz Water Conservation and Storage Project (“Project”) has been officially initiated by the County of San Bernardino and the Santa Margarita Water District (“SMWD”).

The TRP, which is comprised of three independent experts in hydrogeology, hydrology and sustainable groundwater management, is a key component of the Groundwater Management, Monitoring and Mitigation Plan (“GM3P”) established in 2012 in compliance with the County of San Bernardino’s Desert Groundwater Management Ordinance. The GM3P requires the TRP to be in place at least 12 months before the Project commences to establish baseline data on aquifer and watershed conditions for the monitoring program.

In accordance with the GM3P, San Bernardino County and SMWD each appoint one member to the TRP, and the third member is selected by unanimous agreement of those representatives. Nominees named to the TRP include:

**Will Halligan, PG** – Senior Principal Hydrogeologist with Luhdorff & Scalmanini, an award-winning California-based groundwater consulting firm with more than 40 years of experience in state-of-the-art groundwater resources planning, protection and management. Halligan will represent San Bernardino County on the TRP.

**David Jordan, PE, DWRE** – Vice President / Principal Hydrogeologist with Intera, a geosciences and engineering consulting firm and recognized expert in data analysis, quantitative hydrogeology, the application of geographic information systems (GIS) and innovative remote sensing-based techniques to evaluate land use and water-depletion. Jordan will represent Santa Margarita Water District on the TRP.



“We are excited to begin this baseline data collection and work with the County of San Bernardino,” said Dan Ferons, General Manager of SMWD. “We anticipate the TRP will be to fully staffed and operational before the end of the month.”

The state-of-the-art GM3P was designed by leading groundwater experts in consultation with San Bernardino County staff during the Project’s California Environmental Quality Act review and approval process and includes over 100 separate monitoring elements to ensure that the aquifer system’s management is based on sound science with fully-transparent public review:

- 16 Observation wells
- 11 Cluster wells
- Up to 34 production wells
- 20 Land survey benchmarks
- 3 Springs observation and monitoring
- 5 Extensometers for land subsidence monitoring
- 5 Downhole flow meter surveys
- 6 Gamma-ray and dual induction logs at cluster wells to determine changing conditions.
- 4 nephelometers for dust monitoring
- Vegetation monitoring
- 4 Weather stations

Under the GM3P, data on groundwater levels, water quality, air quality, fugitive dust, vegetation and desert springs will be collected and analyzed for review and approval by the TRP with annual reports of the TRP submitted to and approved by the County. The purpose of the monitoring program is to identify any potential adverse impacts in advance and to implement mitigation or preventative measures to avoid overdraft and protect critical resources before, during or after the post operational phases of the Project.



# CADIZ RANCH UPDATE

## WHAT'S BEEN GROWING?

### FARMING REVIEW 2022

The Cadiz Ranch is the largest farming operation in San Bernardino County and a leader in innovative sustainable farming in the Mojave Desert environment.

In 2022, we expanded our total leased and planted acreage to 3,500 acres, with a combination of citrus, vegetables and alfalfa in production.

Our water infrastructure system at the Ranch is also modernizing and undergoing an expansion that began in Q4 2022. The agricultural wellfield is adding three new wells, which will increase the total pumping capacity at the Ranch to 36,000 acre-feet per year. We presently rely on 9,000 – 10,000 acre-feet per year to farm our existing crops in production. The expansion up to 36,000 acre-feet per year irrigation capacity could support up to 7,200 acres of farming, or farming in coordination with the Company's supply, storage and conveyance projects.

We were proud to announce during the summer of 2022, that we entered a partnership with the Farmworkers Institute for Education and Leadership Development, or FIELD, to launch a training facility and center for excellence at the Cadiz Ranch that would offer a variety of instruction for the farmworker community in groundwater irrigation design, water conservation, business operations and other important skills associated with sustainable farming. In November, we opened the first Cadiz Ranch classroom beginning with an English as a Second Language training program for resident farmworkers. Twenty students are enrolled in the program. We expect to add further programming throughout 2023, especially in the areas of groundwater management and treatment technologies.

Finally, the Ranch remains focused on further commitments to improve its sustainability and stewardship programs, including the use of organic material compost for beneficial soil amendments for all Cadiz growers and the use of subsurface drip irrigation – a sustainable technology – on new plantings, including alfalfa and legumes. We are proud of our continued modernization and best-in-class management of our groundwater resources at Cadiz.





# NEW CONSTRUCTION: FIELD AND CADIZ INC. ANNOUNCE AGREEMENT TO CREATE STATE-OF-THE-ART TECHNOLOGY INNOVATION CENTER AND CAREER-TECH TRAINING FOCUSED ON CLEAN WATER

**SEPT 15, 2022:** Agreement between Farmworkers Institute of Education & Leadership Development (FIELD) and Cadiz will bolster FIELD's workforce development programs and train students in sustainable water management amid worsening climate change while advancing FIELD's mission of fostering prosperity in California's underserved communities.

TEHACHAPI and CADIZ, Calif. (September 15, 2022) – Farmworkers Institute of Education & Leadership Development (FIELD) and Cadiz Inc. (NASDAQ: CDZI) today announced an agreement to create a state-of-the-art technology innovation and learning center to provide education, work-based training and business opportunities in poor, minority communities.

FIELD's Innovation Campus will be located at Cadiz Ranch, the Company's 45,000-acre property in the Mojave Desert, and will provide hands-on, intensive instruction and work-based training in water conservation, groundwater management and sustainable agriculture – critical need areas as California adapts to the impacts of climate change on water supplies and food production.

The new initiative is part of FIELD's Workforce Development division and operates under the Career Technical Education (CTE) program, which is part of FIELD's EPIC de Cesar Chavez High School, accredited by the Western Association of Schools and Colleges. FIELD is a non-profit founded in 1978 by renowned farmworker leader Cesar Chavez whose vision was to uplift the economic prospects of underserved populations in poor and minority communities. FIELD's CTE program prepares students for the changing workforce by developing academic knowledge and technical skills in a variety of career pathways, including Early Childhood Education, Solar Photovoltaics, Firefighting, Agriculture, Construction, Recycling and Natural Resources. FIELD's CTE program at Cadiz Ranch will focus on water conservation, water quality, groundwater management and strategies to adapt to the impacts of climate change on water resources and agriculture. FIELD's work-based training programs support a continuum of



self-sufficiency and empowerment in underserved communities through the creation of “social enterprises” – businesses that are created, owned and operated by FIELD students/graduates.

Over three decades of farming in California's Mojave Desert, Cadiz has developed sophisticated groundwater water conservation techniques to support farming in extreme arid conditions by intercepting and capturing groundwater before it evaporates. The Company's groundwater management plan includes extensive use of sensor technologies to monitor soil moisture, evaporation rates and groundwater movement to maximize the conservation of groundwater. Conserved water not used for irrigation will be stored in the aquifer and transported through underground pipelines as part of the Cadiz Water Conservation and Storage Project, creating a critical new water supply for drought-stricken communities in Southern California.

In partnership with FIELD, Cadiz will create classroom space, housing and other facilities at the Cadiz Ranch for an estimated 30-60 students per academic year as they learn best practices in promoting sustainable water management and conservation in a time of increasing climate change and worsening drought.

“As California's water supply grows increasingly scarce, climate-adaptive technologies and practices will be key to health, safety and economic survival, especially for traditionally underserved communities,” said FIELD Present and CEO David Villarino-Gonzalez. “We are thrilled to partner with Cadiz in creating work-based training programs and business opportunities for our students so they can build a sustainable future, not only for themselves, but for their communities.”

“This partnership is our future,” said Cadiz Executive Board Chair Susan Kennedy. “Aridification is a rapidly growing threat that will change everything about how we live in the Southwest. FIELD's focus on combining sustainability and self-sufficiency to create business opportunities for students is exactly what we need to address climate change.”



The FIELD program will include direct, hands-on training for students in managing sustainable farm operations at Cadiz Ranch, groundwater management and water quality monitoring, business operations, wellfield development, and other areas. FIELD students will also gain experience supporting the first-ever conversion of an existing oil and gas pipeline for use conveying water. The program is expected to begin in the spring of 2023, with an English as a Second Language program for FIELD students available at the Cadiz Innovation Center beginning this fall.

The creation of the Cadiz Innovation Center is the Company's latest initiative to deliver clean water solutions to disadvantaged communities. In August, Cadiz agreed to dedicate 5,000 acre-feet of water per year to the Salton Sea Authority and Torres Martinez Desert Cahuilla Indians and provide well treatment technology on tribal lands, as well as up to \$5 million in pipeline infrastructure to ensure access to clean, safe drinking water.

[FIELD's Innovation Campus will be located at Cadiz Ranch, the Company's 45,000-acre property in the Mojave Desert, and will provide hands-on, intensive instruction and work-based training in water conservation, groundwater management and sustainable agriculture](#)

#### **About FIELD**

The Farmworkers Institute of Education & Leadership Development (FIELD) is committed to uplifting the economic prospects of our underserved populations in poor, minority communities. We are a 501(c)3 non-profit founded and established in 1978 by Farmworker Leader Cesar E Chavez. Cesar's ultimate vision was to inspire farmworkers & the rural workforce to gain self-sufficiency through employee owned social enterprises. Our Core Purpose is to empower the underserved to be self-sufficient with a mission to promote economic & social prosperity. FIELD carries out this mission through a continuum of educational and workforce development programs that assist underserved communities in achieving empowerment, self-sufficiency, and a better quality of life. FIELD has served over 130,000 people since 2002 by making a major investment in an education and training infrastructure.

For more information, please visit [www.farmworkerinstitute.org](http://www.farmworkerinstitute.org) or email [info@fieldinstitute.org](mailto:info@fieldinstitute.org)

## HEADLINES WORTH A SECOND LOOK

---

### THE HILL

## Newsom signs order to protect California's water supply from extreme weather

California Gov. Gavin Newsom (D) signed an executive order on Monday to safeguard his state's water supplies from the effects of extreme weather.

The order will help expand California's capacity to capture storm runoff during wet years by accelerating groundwater recharge projects, according to the governor's office.

<https://thehill.com/policy/equilibrium-sustainability/3856491-newsom-signs-order-to-protect-californias-water-supply-from-extreme-weather/>

By Sharon Udasin - 02/13/23

### LOS ANGELES TIMES

## As Colorado River shrinks, water evaporation becomes critical to California's future supplies

Much of the Colorado River's water is diverted from reservoirs and transported in canals to the farmlands and cities of the desert Southwest. But some of the water also ends up going elsewhere – vanishing into thin air.

Water lost to evaporation has become a central point of contention in the disagreement between California and six other states over how to divide reductions in water use.

<https://www.latimes.com/environment/story/2023-02-09/evaporation-takes-center-stage-in-colorado-river-crisis>

By Ian James - 02/09/23



### THE NATION

## California's Extreme Weather Is the Future of Climate Change

After years of thirst, the state has been drowning, and the poorest people have been among those hardest hit.

Scientists tell us that it's the worst for the West and Southwest in at least the last 1,200 years.

Over the last months, we Californians have experienced both historic drought and historic rainfall.

<https://www.thenation.com/article/environment/california-floods-climate-change/>

By Rebecca Gordon - 02/08/23

## LOS ANGELES TIMES

### Colorado River crisis is so bad, lakes Mead and Powell are unlikely to refill in our lifetimes

The snowpack in the Sierra Nevada is the deepest it's been in decades, but those storms that were a boon for Northern California won't make much of a dent in the long-term water shortage for the Colorado River Basin – an essential source of supplies for Southern California.

In fact, the recent storms haven't changed a view shared by many Southern California water managers: Don't expect lakes Mead and Powell, the nation's largest reservoirs, to fill up again anytime soon.

<https://www.latimes.com/california/story/2023-02-05/colorado-river-reservoirs-unlikely-to-refill-experts-say>

By Rong-Gong Lin II / Ian James - 02/05/23

## LOS ANGELES TIMES

### A river guide's view of Lake Powell's decline and the depths of the Colorado River crisis

LAKE POWELL, Utah – Muddy water whizzed past as John Weisheit steered a motorboat upstream in the Colorado River. He revved the engine as the boat sped around a bend and up a riffle.

All along the river's banks, giant mounds of dried mud and silt rose taller than houses – sediment that settled in Lake Powell over decades and has been left exposed by the reservoir's retreating waters.

<https://www.latimes.com/environment/story/2023-01-26/colorado-river-in-crisis-the-emptying-of-lake-powell>

By Ian James - 01/26/23

## NBC NEWS

### California has been hammered with rain. It may not be enough to reverse its drought.

California is a land of booms and busts. Nowhere is that clearer than in its rivers, trickling a month ago during drought and now suddenly swollen as fearsome storms pummel the state.

"There's no Goldilocks moments in California," said Jeffrey Mount, a senior fellow at the Water Policy Center of the Public Policy Institute of California. "It's either incredibly wet or incredibly dry."

<https://www.nbcnews.com/science/environment/california-water-reservoir-levels-storms-future-droughts-rcna64981>

By Evan Bush - 01/12/23

## PBS NEWS HOUR

### In California, where water is a human right, some communities still go thirsty

PIXLEY, Calif. – Residents in this San Joaquin Valley town, like Maria Arevalo, look at an empty church property the same way they look at the reliability of water in their homes – and say they feel behind on two fronts.

The empty piece of land, which holds only three boarded-up trailers and some scattered wooden crosses, sits north of the town of just over 4,000. It is where Arevalo says she believes she had a spiritual moment.

<https://www.pbs.org/newshour/nation/%E2%80%8Bin-california-where-water-is-a-human-right-some-communities-still-go-thirsty>

By Cresencio Rodriguez-Delgado - 11/02/22

