

PRESS RELEASE – For Immediate Release

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**FENNER VALLEY WATER AUTHORITY AND CADIZ INC. ESTABLISH
\$5 MILLION FUND FOR WATER QUALITY INVESTMENTS IN
DISADVANTAGED COMMUNITIES**

October 5, 2018 – The Fenner Valley Water Authority (“FVWA”) today announced the creation of a \$5 Million fund, the Southern California Clean Water Fund (“Clean Water Fund” or “SCCWF”), dedicated to aiding small water systems that are pursuing water quality improvements in Southern California. The Clean Water Fund will be underwritten by Cadiz Inc. which is developing the [Cadiz Valley Water Conservation, Recovery and Storage Project](#), a public-private partnership to increase Southern California’s reliable water supplies by conserving groundwater presently lost to evaporation in eastern San Bernardino County.

FVWA will administer the fund, which is designed to be accessed by small water systems that serve disadvantaged communities in counties across Southern California. The Clean Water Fund will be dedicated to helping small water systems in disadvantaged communities and severely disadvantaged communities (“Eligible Small Water Systems”) develop and maintain water treatment systems.

“Extensive state and national research reflect that disadvantaged communities experience disproportionately poor delivery of basic services,” said Betty Olson, Ph.D., chair of the Board of Directors for Fenner Valley Water District. “Small water systems that service these communities can often suffer from poor water quality and water supply shortages, therefore solutions are needed to help them better serve customers. This new fund will help small water systems deliver clean, safe and affordable water in their communities.”

The fund will reserve \$3 Million for use by Eligible Small Water Systems located in the County of San Bernardino, with the remaining \$2 Million available to Eligible Small Water Systems located in any county in Southern California (including San Bernardino County) that receives water from the Cadiz Water Project.

“We have long been committed to dedicating the water supply benefits of the Cadiz Project to the local communities that most need reliable water. However, some smaller systems and disadvantaged communities are in remote locations and beyond our physical reach,” said Scott Slater, CEO of Cadiz Inc. “With this \$5 million fund we believe we have found a way to help some of these smaller water systems in their struggle to provide reliable clean and safe water in

their communities and we fully embrace the opportunity to serve as a private partner in addressing regional water quality challenges through this fund.”

The State of California has imposed requirements making it a national leader in clean water standards, but limited state and federal funds are available to ensure the State’s vision of clean water for all, especially those in disadvantaged communities, can be implemented.

“We applaud Fenner Valley Water Authority and Cadiz for its efforts to support communities that are disproportionately impacted by contaminated water in Southern California with the creation of this \$5 million Clean Water Fund,” said Dave Rodriguez, Executive Board Member at California League of United Latin American Citizens. “Clean drinking water is essential for Latino families, communities and businesses to survive and thrive, making this not only an issue of environmental justice, but also of civil rights. This fund will help get much needed investments into water systems serving thousands of Latino families across the region in order to deliver clean water, a fundamental human right.”

Julian Canete, president and CEO of the California Hispanic Chambers of Commerce added: “Lack of access to clean and affordable water impacts many Hispanic-owned and operated businesses across the state so we are pleased to see the creation of this Fund that will help level the playing field by addressing water contamination in some of the hardest-hit communities in Southern California.”

“Communities of color suffer disproportionately when it comes to water contamination across the country and Southern California is no exception, which is why we support the creation of this new Fund and the impact it will have in helping bring clean, affordable water to where it’s needed most,” said Pastor William D. Smart, Jr., president and CEO of the Southern Christian Leadership Conference.

In carrying out its responsibilities, FVWA will coordinate its efforts with wholesale water agencies within San Bernardino County, including but not limited to the Mojave Water Agency, Inland Empire Utilities Agency, and Twentynine Palms Water District, seeking their collective input to maximize the likelihood that desert communities and small water systems within the County of San Bernardino are aware of the Clean Water Fund and the opportunity it presents for financial assistance. The Clean Water Fund agreement also calls for San Bernardino County to independently approve grants to any County-based water system.

Eligible Small Water Systems will be invited to submit applications for water quality improvement projects in 2019. Funds will be made available following construction of the Cadiz Water Project.

Cadiz Inc. initiated the Clean Water Fund following its own experience exploring water treatment options for its planned Cadiz Water Project operations. Water from the Cadiz Valley meets all state and federal drinking water standards without treatment and has very low total dissolved solids. However, in 2015, Cadiz Inc. began a research and development initiative to develop a plan to treat its groundwater for certain naturally occurring constituents prior to delivery to the Southern California water transportation system so that, if required, it is the same or better than the quality of water already in the system.

“Cadiz invested heavily into R&D and we are able to cost-effectively treat our groundwater if required. Not all water providers have that option, including those in disadvantaged

communities, and we believe we can help through the administration of this fund.” added Slater. “We look forward to engaging with San Bernardino County agencies in identifying places the fund can help.”

In a letter to FVWA in support of the Clean Water Fund agreement, Adan Ortega, Executive Director of California Association of Mutual Water Companies, said: “Cadiz Inc. has been at the forefront of developing affordable modular technologies for the treatment of chromium-6 and arsenic, that may have benefits for small water systems. We are thus gratified that they would be exploring an expansion of their role with Fenner in this critical arena - especially in Southern California where disadvantaged communities have not been the focus of many resources from the state for safe drinking water.”

More information about the fund is available at www.socalcleanwaterfund.com

About Fenner Valley Water Authority

The FVWA, formed in November 2014, is a joint powers authority comprised of Fenner Valley Mutual Water Company, a non-profit California mutual water company consisting of water providers participating in the Cadiz Water Project, and Santa Margarita Water District (SMWD). The Authority is led by a three-person Board of Directors, appointed by the participating agencies; and two administrators who oversee FVWA operations. The FVWA will operate the Cadiz Water Project and implement the project’s **Groundwater Monitoring, Mitigation and Management Plan**. Once built, the FVWA will lease the Project facilities from Cadiz Inc. To learn more, visit www.fvwa.org .

About Cadiz Inc.

Founded in 1983, Cadiz Inc. (NASDAQ: CDZI) is a publicly-held renewable resources company that owns 70 square miles of property with significant water resources in Southern California. The Company maintains an organic agricultural development in the Cadiz Valley of eastern San Bernardino County, California and is partnering with public water agencies to implement the [Cadiz Water Project](#), which over two phases will create a new water supply for approximately 400,000 people and make available up to 1 million acre-feet of new groundwater storage capacity for the region. Cadiz abides by a wide-ranging “Green Compact” focused on environmental conservation and sustainable practices to manage its land, water and agricultural resources. For more information, please visit www.cadizinc.com

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