

150th
Anniversary

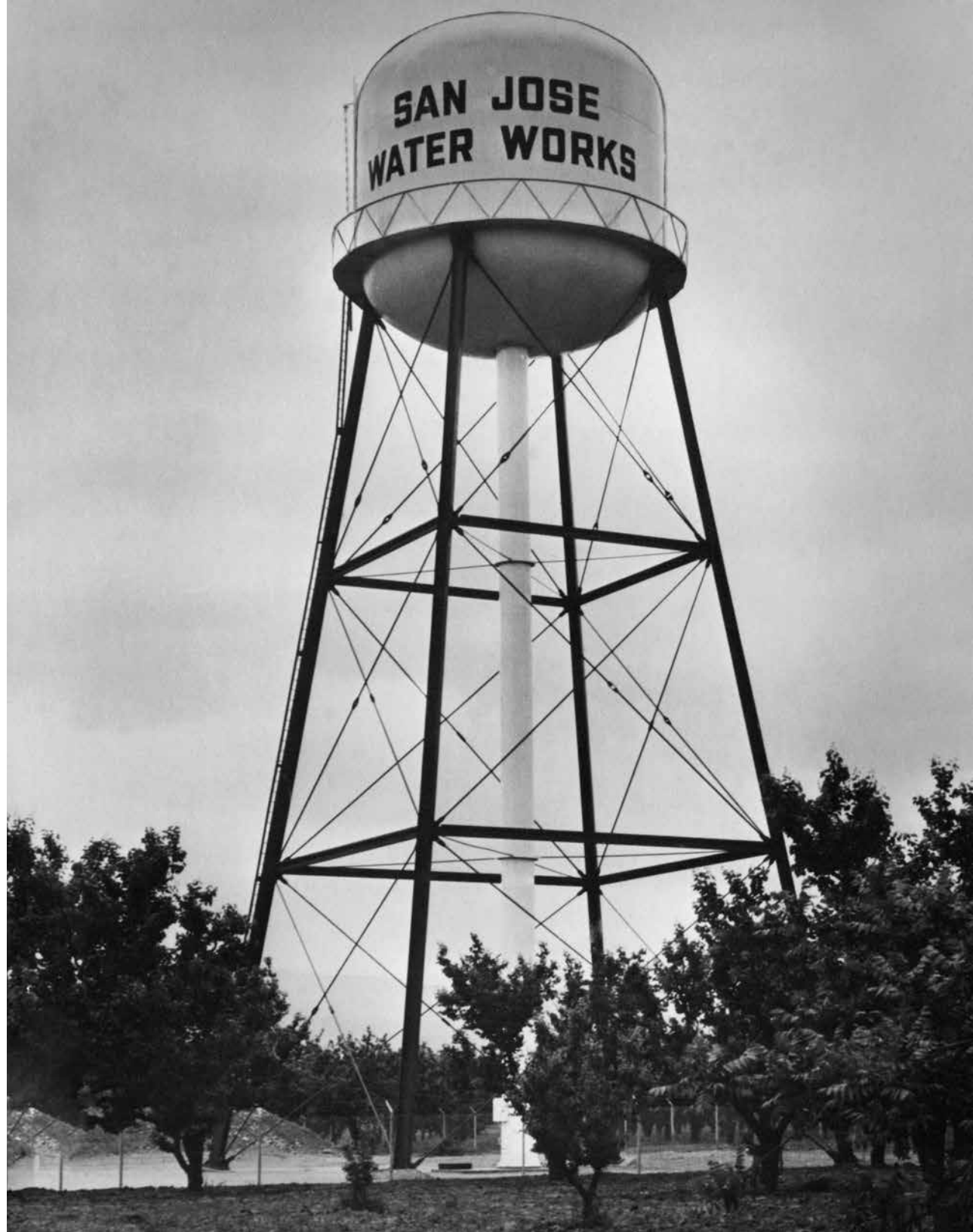
CELEBRATING 150 YEARS *of* SERVICE

1866-2016



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San Jose Water Company: 150-Years Strong

In celebration of our company's rich history, we're taking a look back at our beginnings and the interesting journey that's led us to where we are today. While it's impossible to capture all the highlights, it's clear that none would have been possible without the dedication and hard work of those who helped build and grow San Jose Water Company to serve our great community.

Water: The Key to Survival and Prosperity

It was water that first drew the Ohlone Indians to what is now San Jose. Located on a plain bisected with plentiful streams, the rich soil and temperate climate made it an ideal site for a pueblo—and key to its agricultural success.

When Spanish settlers established the first San Jose pueblo in 1777, the first order of business was water. They constructed acequias, or open ditches of raw water, by building small dams across the creeks. They built adobes along these *acequias*, and San Jose quickly grew. Citizens carried water in buckets to their homes from their main water source—a pond on what is now Virginia Street. This central but crude water distribution system soon encountered problems, including the spread of cholera and typhoid. Seasonal flooding and reduced flows in the summer also made it challenging to reliably serve the rapidly growing population. A safe, plentiful source of water was needed.



ARTESIAN WELL FROM THE 1800S IN THE SAN JOSE AREA.

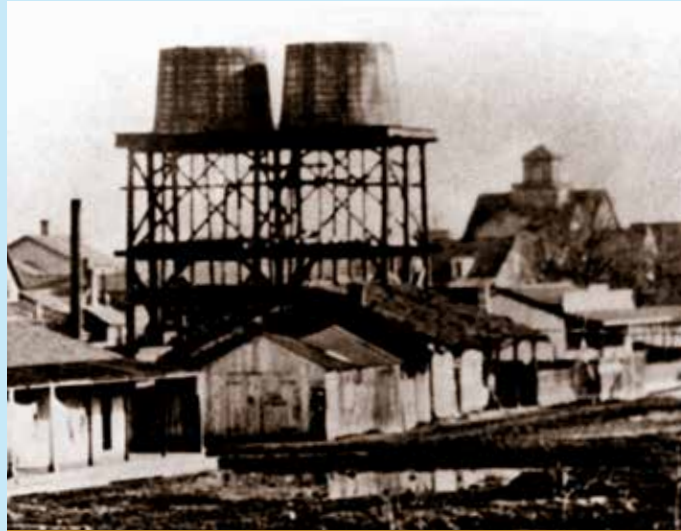
Artesian wells were the immediate answer. Shallow wells with enormous pressure behind them were dug to access the high-quality water from aquifers. The Merritt brothers drilled the first artesian well in 1854 near Fifth and St. John Streets in San Jose. Using a six-inch bore, they struck water at 55 feet and again at 80 feet when a stream of water gushed forth. “It was almost sufficient,” a historian commented, “to run a saw mill.”

IN 1874, G.A. DABNEY HIT WATER AT 60 FEET WITH PRESSURE SO GREAT HE COULDN'T CAP IT. FOR SIX WEEKS, IT RAN, FLOODING THE SURROUNDING LANDS. DECLARED A NUISANCE BY THE CITY COUNCIL, HE WAS FINED \$50 PER DAY. ONLY UNTIL OTHER WELLS WERE DRILLED DID THIS INFAMOUS WELL'S FLOW FINALLY SUBSIDE.

THE OHLONE INDIANS KNEW EVERY SPRING AND STREAM THAT FLOWED TO THE BAY. KNOWN AS LITTLE WATER AND BIG WATER, THESE STREAMS WERE INTEGRAL TO THEIR TRIBE'S SURVIVAL, WHICH ARE NOW KNOWN AS THE COYOTE, GUADALUPE AND PENITENCIA CREEKS.



IN 1913, ONE OF SAN JOSE WATER COMPANY RESERVOIRS WAS NESTLED IN THE SANTA CRUZ MOUNTAINS WITH A CARETAKER HOUSE NEAR THE LAKEFRONT.



THE SAN JOSE FOUNDRY, HOME TO SAN JOSE WATER COMPANY'S FIRST TWO WATER TANKS, ALSO SUPPLIED THE IRON WORK FOR THE COURT HOUSE, COUNTY JAIL AND OTHER DISTINGUISHED BUILDINGS IN SAN JOSE.



SAN JOSE IN THE 1850s.



WORKING ON THE WATER MAINS IN THE EARLY 1900s WAS A DIRTY AND DANGEROUS JOB.



FIRST FLOW, FIRST BILL
HENRY WILLIAM MITCHELL (1833–1921) TURNED ON THE FIRST WATER MAINS WHEN HE WORKED AT THE DONALD MCKENZIE FOUNDRY, WHICH STOOD ON THE CURRENT SITE OF THE HOTEL MONTGOMERY. HE ALSO COLLECTED THE COMPANY'S FIRST WATER CUSTOMER BILL.

San Jose Water Company Forms

Donald McKenzie, a shrewd Scotsman and owner of the San Jose Foundry, saw tremendous opportunity in these artesian wells. Along with John Bonner and Anthony Chabot, he founded San Jose Water Company with \$100,000 in capital. The articles of incorporation were signed November 21, 1866, and 1,000 shares valued at \$100 each were issued.

The founders stated that, “The object of the Company is to supply the City of San Jose and other cities and towns in the County of Santa Clara of the State of California and this inhabitants thereof with pure, fresh water.”

It started with two tanks at the San Jose Foundry at First and San Antonio Streets providing water to about 400 local residents. With a 100,000-gallon capacity, the tanks sat on a 50-foot wood-braced platform and dominated the skyline of a growing San Jose.

The Company had been granted exclusive rights to run water mains under the streets—with a few conditions.

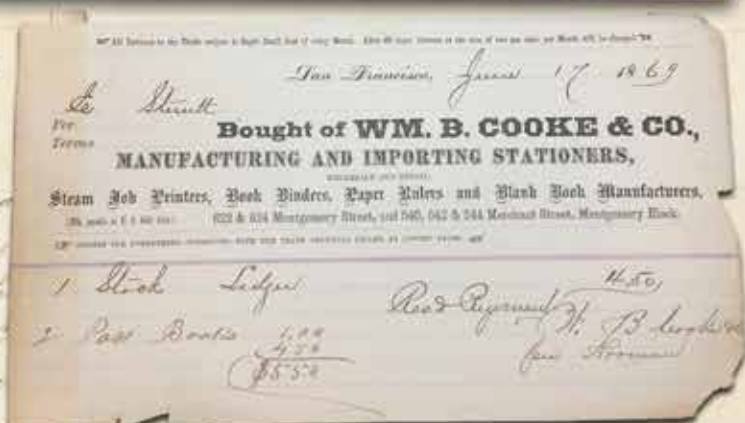
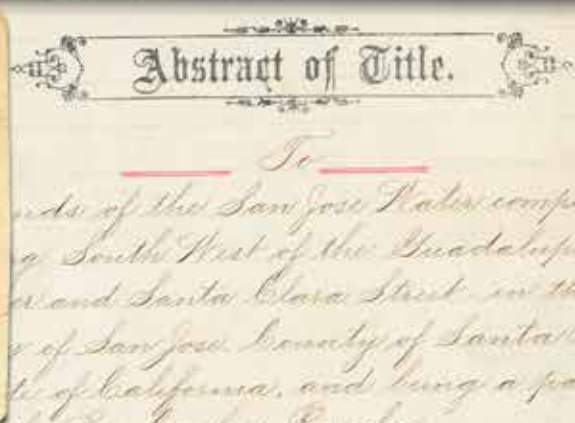
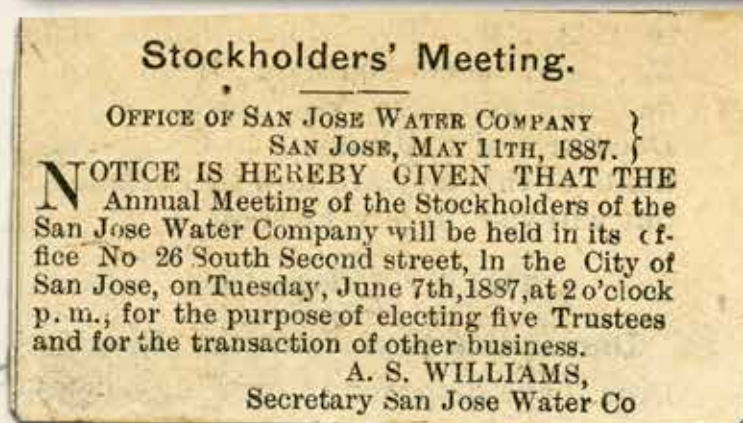
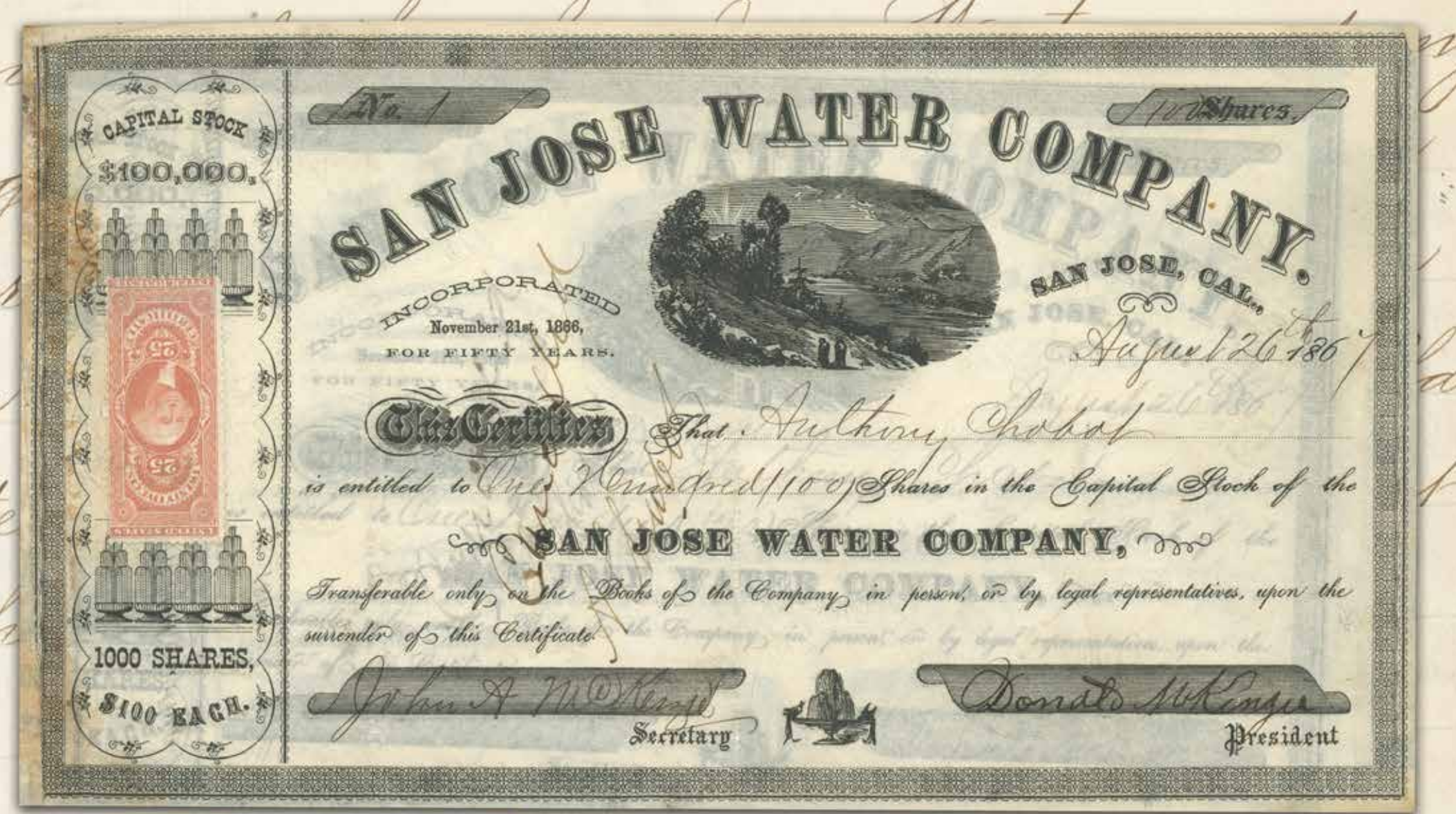
1. The franchise would only last 25 years, after which time the City had the option to purchase the water service and all equipment.
2. The Company would provide the City with water for fire protection.
3. The City Council would set the water rates every three years, and they could not exceed any other pump-supplied water company's rates in the state.

ANTHONY CHABOT BECAME KNOWN AS “THE WATER KING” BECAUSE OF HIS INVOLVEMENT IN THE WATER SYSTEMS OF SAN FRANCISCO, SAN JOSE, VALLEJO AND OAKLAND IN THE LATE 1800s.

SAN JOSE WATER COMPANY SERVED THE TOWN OF SANTA CLARA UNTIL 1895 WHEN THEYTHE CITY BUILT ITS OWN MUNICIPAL WATER WORKS.



DONALD MCKENZIE,
PRESIDENT 1866-1869



Growing Demand

The first water mains in San Jose were along First and Santa Clara Streets. The demand for service from this pure water supply was immediate and it quickly grew beyond the original scope of service.

On December 12, 1868, the Company was reincorporated, increasing the capital stock from \$100,000 to \$300,000—over \$5 million dollars in today's economy.

THE COMPANY OBTAINED RENTED ITS FIRST OFFICE SPACE FOR \$10 PER MONTH IN 1872.





LOG FLUME REPAIRS MEANT RAPPELLING DOWN A HILLSIDE TIED TO A TREE WITH A ROPE.



TRENCHES FOR WATER MAINS WERE DUG BY HAND.



IN 1934, THIS CREW HAULED PIPES OVER ROUGH TERRAIN TO CONNECT REMOTE RESERVOIRS IN THE MOUNTAINS TO THE VALLEY FLOOR.



IN 1869, SAN JOSE WATER COMPANY AUTHORIZED THE CONSTRUCTION OF A FLUME TO CARRY THE WATERS FROM THE TAIL RACE OF THE FORBES FLOUR MILL IN LOS GATOS TO SEVEN-MILE RESERVOIR.

Tapping Into The Santa Cruz Mountains

San Jose Water Company was quick to realize that a few artesian wells that were dependent on local rainfall weren't going to provide sufficient water to supply local residents and would hinder service expansion.

The Santa Cruz Mountains would be the perfect addition to the water supply picture. But first they needed a system to catch its plentiful rainfall, store it in reservoirs amid the redwoods and deliver it to customers on the valley floor. Log flumes were the answer.

President Nathaniel H.A. Mason was at the helm of the effort. In August of 1869, Company trustees authorized the construction of a flume to carry the waters of Los Gatos Creek from the tail race of the Los Gatos Manufacturing Company to the proposed reservoir on what is now Bascom Avenue. After charging shareholders a \$96,000 assessment, the Seven-Mile and the Three-Mile Reservoirs were built in 1870–1871.

Harnessing the Los Gatos Creek's flows was imperative. The creek drained a mountain area of miles of the finest kind of watershed—heavily timbered land where the moisture is held by roots. San Jose Water Company officials studied the existing series of dams and reservoirs that retained the water and provided a reliable supply source.

The two companies struck a franchise arrangement, and in 1870, the San Jose Water Company purchased 3,000 additional acres and water rights along Los Gatos Creek.

The relationship continued until 1890 when San Jose Water Company purchased the Los Gatos Manufacturing Company and assumed all rights and claims to water mains and services in Los Gatos for \$20,000.

NATHANIEL MASON PROVIDED MUCH OF THE CAPITAL NEEDED FOR THE COMPANY'S AGGRESSIVE EXPANSION PLANS IN EXCHANGE FOR THE PRESIDENCY AND CONTROLLING INTEREST IN THE COMPANY.

THE TISDALE RESERVOIR WAS BUILT IN 1871 AS A JOINT VENTURE WITH THE LOS GATOS MANUFACTURING COMPANY. OVER 20 YEARS LATER, WILLIAM TISDALE WOULD BECOME PRESIDENT OF THE SAN JOSE WATER COMPANY.



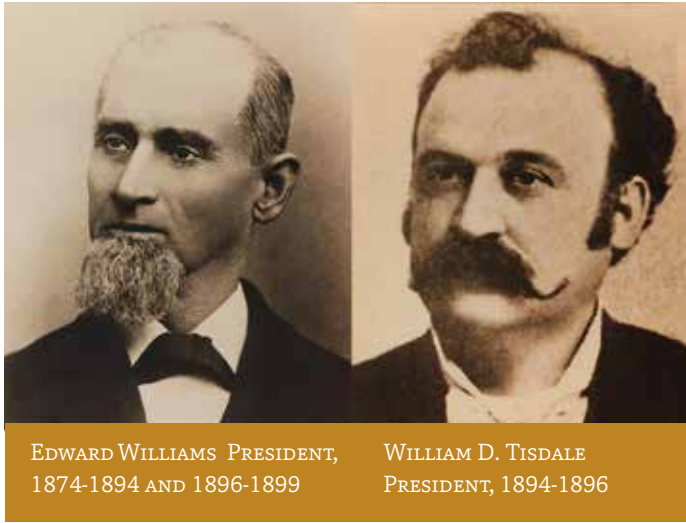
NATHANIEL H.A. MASON
PRESIDENT, 1869-1874

Expansion: Reservoirs and Acquisitions

Edward Williams became President of the Company in 1874 and led it through more than 20 years of expansion. During his tenure, land holdings were increased to approximately 7,000 acres of watershed land and the following reservoirs were built:

1874–76	Lake Ranch Reservoir (later renamed Lake McKenzie)
1877	Upper Howell Reservoir (later renamed Lake Kittredge)
1882	Lower Howell Reservoir (later renamed Lake Cozzens)
1895–1916	Lake Williams Reservoir

It was during this era that the earlier diversification of water sources became truly appreciated. Underground water supplies were not inexhaustible as once imagined, and well flows were diminishing. Importing water from the Santa Cruz Mountains watershed was more important than ever to help fuel continued growth in the valley.



EDWARD WILLIAMS PRESIDENT,
1874-1894 AND 1896-1899

WILLIAM D. TISDALE
PRESIDENT, 1894-1896

By 1870, THE SAN JOSE
WATER COMPANY:

- DELIVERED 2 MILLION
GALLONS OF WATER
- HAD 56 MILES OF
MAINS
- ISSUED ITS 1ST
STOCKHOLDER
DIVIDEND OF \$1,500,
PAID IN SILVER

By 1888:

- 62 MILES OF
DISTRIBUTION MAINS
- \$775,000 IN GROSS
REVENUES

William D. Tisdale, President from 1894 to 1896, was well connected in the community. As past President of First National Bank of San Jose and part owner of the Los Gatos Ice Works, Tisdale had a history with San Jose Water Company through the Los Gatos Manufacturing Company merger.

During his tenure, Tisdale installed more wells and pumps and continued the Company’s acquisition plan for watershed properties by purchasing more land near the Los Gatos and Cavanaugh Creeks. This helped maintain the Company’s high standards for water quality through the prevention of contamination.

Edward Williams returned for a second term as President from 1896 to 1899. To expand the customer base, he purchased the Mountain Springs Water Company in 1899 for \$20,000 cash and 240 shares of stock valued at \$24,000.



STORING WATER GATHERED FROM THE SANTA CRUZ MOUNTAIN RESERVOIRS WAS A PRIORITY FOR SAN JOSE WATER COMPANY. THE CAMBRIAN RESERVOIR, SITUATED AMONG ORCHARDS PREVALENT IN SANTA CLARA COUNTY, WAS BUILT IN 1916.

Tough Crews—The Days Before OSHA

The Human Jack Rabbit

Andrew “Andy” Benson was the caretaker at the Williams Reservoir beginning in 1907. He knew the hills like a book and was called the Human Jack Rabbit for his impressive agility in climbing the reservoir’s surrounding hills. He visited San Jose infrequently, always eager to get back to his hills and away from the city’s hustle and bustle. He would often say, “It’s when I’m in town that I get lonesome.”



Risky Business

Repairs required men to tie one end of a rope around their waist and the other end around a tree to rappell down the wet and slippery hillside.

Repairs by Rappelling

Frank Nunes recalls the day a storm wiped out the Los Gatos flume in the Santa Cruz Mountains. “To make the repairs,” he recalls, “we’d tie ourselves up with a rope to a tree at the top of the hill. We’d hang ourselves off the side of the hill and worked to clear the path for the replacement to be put in.”

It was always interesting

Frank Alcaraz joined the company in 1909 as a laborer and stayed for more than 25 years. He was asked which of his different duties with the company gave him the most interesting experience. “There were jobs packed full of interesting experiences that to mention any particular one would detract from others equally interesting.”

Working at San Jose Water Company meant a lot of hard labor for many. It was all in a day’s work, back in the day.

Hand-trenching

Working on the crews was quite different from today’s operations. “We used to have a Company blacksmith who did all the sharpening,” says Ray “Cookie” Corbal, about a job on White Road. “We’d take four or five picks with points almost as sharp as a tack each morning, and every one of them would be worn down to nothing by the end of the day. It was brutal.”

The trenches for the water mains were dug by hand.



This concrete reservoir in Saratoga, built in 1961, had more than 170 miles of steel reinforcing wire wound around the shell.



Improvements to Lake Williams Reservoir, circa 1900

Saved by a Stump

In 1890, the Valley experienced an unexpected flood that covered the pumps with 13 feet of water. To close the bilge gate, Alex donned his rubber suit, grabbed his lantern and gate key and started down the creek bank to shut the gate.

“I slipped and fell on the wet bank and would probably have drowned if it weren’t for a willow stump I was able to grab onto.”

—Alexander Wesley Hess
Employee from 1885-1935

20th Century Leadership

George Cozzens, President from 1899 to 1907, had been associated with San Jose Water Company since its founding and heralded the Company into the 20th century amidst plenty of challenges.

Continuing the successful pattern of growth and prosperity, Cozzens continued to purchase land along Los Gatos Creek and improved the dam at Lake Williams Reservoir. The water rights on the east side of the valley, however, proved problematic.

The Coyote Creek Battle

San Jose Water Company had drilled wells in the area in 1903 to tap into water from the Coyote Creek and various smaller streams that percolated into the underground. So productive was the vast reservoir of this artesian belt that the Bay Cities Water Company decided that 80,000,000 gallons a day should be drained off to sell to San Francisco and Oakland. They bought 1,500 acres of land south

and east of San Jose in the Coyote watershed and proposed to build a transmission tunnel from there to Oakland.

San Jose Water Company joined valley ranchers, and, with the vocal support of the San Jose Herald, aggressively opposed this move. Fearful of the impact a diversion of underground water supplies would have on their orchards, several local farmers filed an injunction against Bay Cities Water in 1904. The Supreme Court upheld the injunction, and no water ever left the San Jose area, preserving the rights of the area to use its own water.

COZZENS BEGAN THE TRADITION OF THE ANNUAL PICNIC FOR LOCAL CITY AND COUNTY OFFICIALS AT THE COMPANY'S RESERVOIR NEAR THE TOWN OF WRIGHTS. HE WAS SAID TO HAVE BEEN THE "LIFE OF THE OCCASION" AT THESE JUNE EVENTS.

By 1900, the capital stock in the Company was \$1,250,000.

"THE WHOLE BUSINESS OF THIS CITY AND VALLEY RESTS UPON THE UNDERLYING ARTESIAN BELT."
—THE SAN JOSE HERALD, 1903

1906 EARTHQUAKE
THE WATER SYSTEM EMERGED FROM THE 1906 EARTHQUAKE UNSCATHED—A REMARKABLE ACHIEVEMENT THAT ENABLED WATER SERVICE TO FIGHT A FIRE THAT BROKE OUT ON SECOND STREET THAT JEOPARDIZED THE CITY'S ENTIRE BUSINESS SECTION.



Leadership from 1907-1928

George McKee became President of San Jose Water Company following Cozzens' resignation in 1907 due to poor health. He continued to develop the underground water resources by constructing new wells and pumping stations. During his last year as President, the water utility regulation passed from the San Jose City Council to the State Railroad Commission (now known as the California Public Utilities Commission).

Joseph Ryland became the next President of San Jose Water Company for what would be a 16-year term. The Ryland name was familiar to the Company because Ryland's father, C.T. Ryland, was an early investor. He oversaw major changes to the Company's operations, which included dealing with the state's first drought.

In 1916, the Company's name was changed to San Jose Water Works and it took over all franchises, including the perpetual one to supply water in the city of San Jose. Eight years later, the City of San Jose raised the San Jose Water Works license fees from \$1,000 per year to \$6,000 per year.

Ryland was responsible for the purchase of additional water rights along Los Gatos Creek from Pacific Gas and Electric Company. And in 1919, the Company expanded its customer base by purchasing Cottage Grove Water Works and Cherryhurst Water Company.

RECORD-BREAKING SERVICES
IN JUNE 1920, THERE WERE 125 NEW SERVICES INSTALLED, THE LARGEST NUMBER INSTALLED IN ONE MONTH IN THE HISTORY OF THE SAN JOSE WATER WORKS AT THE TIME.

FIRST DROUGHT
IN 1913, SAN JOSE HAD LESS THAN HALF ITS NORMAL RAINFALL. PUBLIC WARNINGS WERE ISSUED: "WE ARE NOW FACING THE WORST PART OF THE WORST YEAR KNOWN IN THE HISTORY OF CALIFORNIA."



MANY OF THE LOCAL TOWNSPEOPLE MOURED THE LOSS OF THE LOS GATOS LOG FLUME, WHICH WAS A POPULAR LOVERS' LANE.

Growing Pains

Not all acquisitions went smoothly. In 1928, the Company was interested in purchasing the Willow Glen Water Works, but the owners, O.P. Mills and his wife, Delia, didn't want to sell. A territory dispute caused the Willow Glen Water Works to go to the Railroad Commission to fight San Jose Water Works. In the midst of this dispute, Mills abruptly decided to sell the Company due to poor health, and the acquisition added 300 new customers.

H. Seymour Kittredge became the next President of the Company in 1928, having begun his career there in 1900 after attending San Jose High School and San Jose Business College. One of the major projects of his administration was the replacement of the old wooden flume that started at Jones Dam on the Los Gatos Creek.

The new flume was designed to divert 10,000,000 gallons of water per day into the Company's distribution system. Working on the project was not an easy task due to the terrain and constant wetness. Risk aside, it was an enviable position to be on the flume work crews because of the assured daily wage.



LAYING MAINS TO MEET THE INCREDIBLE DEMAND OF NEW SUBDIVISIONS KEPT CREWS BUSY IN THE 1930s.

Six Dams in Seven Years

In 1929, the Santa Clara Valley Conservation District (now known as the Santa Clara Valley Water District) was formed to manage some of the water resources in the valley. Flooding was a tremendous problem and millions of gallons of water were wasted as they flowed into the San Francisco Bay. By 1936, the construction of six dams was completed. These dams captured the winter rains and the water recharged the aquifers during the summer, which helped to stabilize the water table and reduce subsidence problems in the area.

FIRE HYDRANTS—FAST!
IN JULY, 1929, THE CITY
OF WILLOW GLEN APPLIED
FOR 37 FIRE HYDRANTS TO
BE INSTALLED AS SOON AS
POSSIBLE.

DAMS BUILT: 1929-1936
COYOTE
CALERO
ALMADEN
GUADALUPE
VASONA
STEVENS CREEK



Work Hard Play Hard

In the 1930s, San Jose Water Company had a strong baseball team that played against other teams from local businesses. At the urging of a Company bill collector who admired his skills as a ball player, Dave Boyarsky came to work for the Water Company in 1937 and shared fond memories.

"We had a good team, the best around! But that didn't mean you didn't work," Boyarsky recalls. "Folks would make it a little bit easier on the pitcher. He wouldn't have to take off joints that day."

**"If you want
a job with
the Water
Company,
you had
better be a
ball player."**



Informal breathers

"If we had a ball game that night, the supervisor would come down the work-line around 2:00 p.m. and tell a few of the ballplayers to 'go take a walk down there somewhere and take a look at the trees,'" recalls Boyarsky. "This meant take it easy before the game."

**"You had to know someone to get a
job at the Water Company."**

—Turk Andrews, Employee from 1937 to 1980

Winning isn't everything, but they often did

"The baseball trophy was a bronze cup surmounted by the figure of a player at bat. The trophy was presented by the San Jose Night Baseball Association and represents the victory of our team over seven rival teams. Our boys won 14 games and lost only one. Some record!"

—The Spillway, November 1936

Company newsletter

"In the 1970s, Nat Kendall would walk out of the President's office and stroll over to the Maintenance Yard in the morning. He would randomly select around four guys and we'd have the day off at the ballpark. We'd go up to San Francisco to see the Giants play. Talk about a morale booster!"

—Mike Salas, employee from 1971- 2010

**"PG&E had a team.
We beat them every time!"**



Bob Chaffin, celebrating his 50th year of service at SJWC, threw out the first pitch at a San Jose Giants game in 2016.

**The Company team
played at the World's Fair
in San Francisco in 1939.**



Dick Whitman played for the Brooklyn Dodgers and the Philadelphia Phillies and batted in two World Series games. After his baseball career, he worked for San Jose Water Company for nearly 30 years.

New Owner and Building

Eastern utility holding companies were purchasing water companies and other utilities across the country in 1929. General Water Works and Electric Company acquired San Jose Water Works for a selling price of \$5,100,000 for a controlling interest in the Company. The deal was finalized on October 26, 1929—three days before Black Tuesday—with no change in management and Kittredge remaining as President.

In 1934, the first phase of San Jose Water Works' general office building was completed at 374 West Santa Clara Street, replacing the one story structure occupied since 1888.

The second phase of the building was completed in 1940 by the Carl N. Swenson Construction Company, the leading construction company in the area at the time.



Increased Santa Cruz Mountains Land Holdings

Watershed expansion continued with San Jose Water Works purchasing the pioneer town of Wrights in the Santa Cruz Mountains in 1936—lock, stock and barrel. The abandoned railroad town consisted of 125 acres of land and 14 dilapidated buildings.

With this purchase, the Company acquired almost all remaining land on the Los Gatos Creek. Many other land purchases were made over the years to provide adequate protection against pollution of the watershed and streams making San Jose Water Works an early champion of environmental stewardship.

This purchase, however, was not without incident. A running feud developed between the Cothran family and San Jose Water Works in 1934 started with E.E. Cothran and continued with his sons, Ralph and Shelley. The first lawsuits involved right-of-way properties adjacent to the Cothran property in the Santa Cruz Mountains.

Several others were filed by the Cothrans over a 50-year period. Shelley Cothran represented himself in the trials and played the role of counsel and witness, asking and answering his own questions. This, and stories of conspiracy to defraud, insanity and violence made startling headlines. The saga ended with the death of Shelley Cothran in 1985.





LAKE RANCH RESERVOIR IN THE 1930S.



MOUNTAIN METERS – MARKER POST 59, SHOWN HERE, REPRESENTS THE 59TH CUSTOMER TO BE GIVEN SERVICE BY SAN JOSE WATER WORKS.



HORSEBACK PATROL
THE WATERSHED AREA WAS PATROLLED BY COMPANY PERSONNEL ON HORSEBACK TO KEEP THE AREA FREE FROM CONTAMINATION AND TRESPASSERS.

EXPANDING SERVICE TO CUSTOMERS IN MOUNTAIN AREAS WAS COMPLICATED BY THE CHALLENGE OF ACTUALLY FINDING THEM! CONCRETE METER MARKER POSTS, KNOWN AS “TOMBSTONES” WERE INTRODUCED TO HELP LOCATE METERS IN REMOTE AREAS. THE ENGRAVED CUSTOMER ACCOUNT NUMBER WAS BASED ON THE ORDER THEY TAPPED INTO THE WATER SUPPLY.

BILLS BY BICYCLE

“IN THOSE DAYS, THE COMPANY HAD COLLECTORS ON BICYCLES. ABOUT SIX OF THEM. WHEN THE BILLS WOULD COME OUT, THEY WOULD GIVE THEM TO OUR COLLECTORS AND THEY WOULD DELIVER THE BILLS PERSONALLY.”

CUSTOMER SERVICE

WE HAD A LEAK ON SAN CARLOS STREET BY THE BOWLING ALLEY THAT FLOODED BASEMENTS AND EVERYTHING. AN UPSET WOMAN FOLLOWED ME AROUND YELLING, “YOU DROWNED MY SQUABS!” I FINALLY CALLED SOMEBODY OVER AND SAID, “TAKE THIS WOMAN OVER TO THE BUTCHER SHOP AND BUY HER A DOZEN SQUABS!” —TURK ANDREWS

The Elsman Years



\$0.50/HOUR WAS THE WAGE OF A COMPANY DITCH-DIGGER IN 1937—AS LONG AS IT WASN'T RAINING. BUT FOR \$0.25, YOU COULD GET A T-BONE STEAK, SOUP, SALAD, POTATOES, A VEGETABLE, TWO SLICES OF BUTTERED BREAD AND A PIECE OF PIE WITH COFFEE.



LELIA CALI,
VICE PRESIDENT

RALPH ELSMAN,
PRESIDENT, 1937-1968

LELIA CALI JOINED THE COMPANY IN 1927 AS AN OFFICE CLERK AND SERVED AS PRIVATE SECRETARY TO ELSMAN. SHE EVENTUALLY BECAME A VICE PRESIDENT—THE FIRST WOMAN ELECTED TO THIS POST IN THE COMPANY'S HISTORY. AS ONE OF THE FEW WOMEN IN THE BUSINESS WORLD IN THE 1920S AND '30S, SHE SET AN ENVIABLE MARK OF ACHIEVEMENT FOR ALL.

In 1937, Ralph Elsman was elected Chairman of the Board of San Jose Water Works and later became President until 1968. In 1939, he also became President and General Manager of the California Water Service Company.

In 1940, the main offices of California Water Service Company were moved into San Jose Water Works' newly enlarged building at 374 W. Santa Clara Street. Doubling the size of the original building cost \$100,000. Both companies were owned by General Water, Gas and Electric Company but were independently operated.

Elsman led the Company through a tremendous period of growth following World War II, including:

- Reorganizing the financially ailing San Jose Water Works
- Negotiating the liquidation of the controlling interest of General Water, Gas and Electric Company, which returned ownership of the Company back to local control
- Adding 2,005,000,000 gallons of surface water storage
- Adding more than \$60,000,000 in capital improvements

Interest from the City of San Jose

Over the years, the City of San Jose made purchasing overtures to an uninterested San Jose Water Works. A spirited battle ensued, and local newspapers discussed the pros and cons of municipal ownership. The City Council placed the issue before the people on May 2, 1938, with a \$5,520,000 bond required for the purchase. The issue was soundly defeated by a vote of 2,394 “yes” to 14,402 “no”, and San Jose Water Works continued as an investor-owned utility as it had for the previous 72 years.

Sleeping John

In 1956, San Jose Water Works teamed up with General Electric and Jacuzzi Brothers of Richmond to develop a breakthrough pump they called “Sleeping John,” named for its soundless operation. Nathaniel “Nat” Kendal, Chief Engineer at the time, was credited with designing this horizontal pipeline pump, which solved the problem of getting water from low to high places without having to buy or lease land for a surface pumping station. It was a model that was quickly copied by utilities across the nation.

SATURDAYS OFF
THE ISSUE THAT USHERED IN THE UNION WAS WORKING ON SATURDAYS. “SAN JOSE WATER WORKS HAS FALLEN IN STEP WITH THE MARCH OF TIME BY ADOPTING THE 44-HOUR WEEK. BEGINNING APRIL 1ST ALL WORK (EXCEPTING EMERGENCY, OF COURSE) IS SUSPENDED ON SATURDAY AFTERNOON.”
—THE SPILLWAY, MAY 1937
COMPANY NEWSLETTER



IN 1942, IRENE GRISWOLD BECAME SAN JOSE WATER WORKS' FIRST FEMALE BILL COLLECTOR, VISITING BRANCH OFFICES AND DELINQUENT ACCOUNTS.



CHIEF ENGINEER NAT KENDALL AND "SLEEPING JOHN" PUMP.



“SUBDIVISIONS ARE COMING IN DAILY – DON’T KNOW WHEN THEY WILL EVER SLOW UP, OR WHERE ALL THESE PEOPLE ARE COMING FROM. WE REACHED THE 60,000 CUSTOMERS MARK IN OCTOBER. WHAT GROWTH SINCE I FIRST CAME WITH THE COMPANY! IT IS TRULY PHENOMENAL.”

Wartime Generosity

Working for San Jose Water Company meant being a part of a family. This was engendered in a number of ways over the years, but probably most poignantly through its gestures in challenging times.

Lifting Troops’ Spirits
Elsman corresponded with employees who were sent overseas during the war. Supportive gestures to his staff included encouraging notes, boxes of cigarettes and Christmas wishes.

“P.S. You know, don’t you, that when you return, and you will return, your old job will be waiting for you.”

- Ralph Elsmann, December 1942 in a letter to Private Isador “Shorty” Miller

Victory Garden Discount
During World War II, victory gardens were planted by homeowners throughout the country to help raise their own vegetables and other crops to prevent food shortages. The company encouraged this effort in 1943 by crediting customers with a 16 cents per 100 square feet of gardens during the summer growing months. Elsman commented, “I personally am very happy to contribute something toward the war effort.”

Officially Secured Post-War Employment
When World War II began, the Board of Directors passed a resolution that guaranteed reemployment to all employees of San Jose Water Works who were drafted for a year’s service under the conscription bill upon their return. During this period of uncertainty, employees had one less thing to worry about.

“I’ve got that.”
Dominic Gullo recalls that when he was overseas during WWII, he continued to pay his family’s water bills. When President Ralph Elsman found out, he sent a check to Dominic overseas for all the back bills he had paid for his family.

“We are waiting anxiously for the day when you boys will all be back with us again, and from the latest reports, it seems like it will not be in the too distant future.”

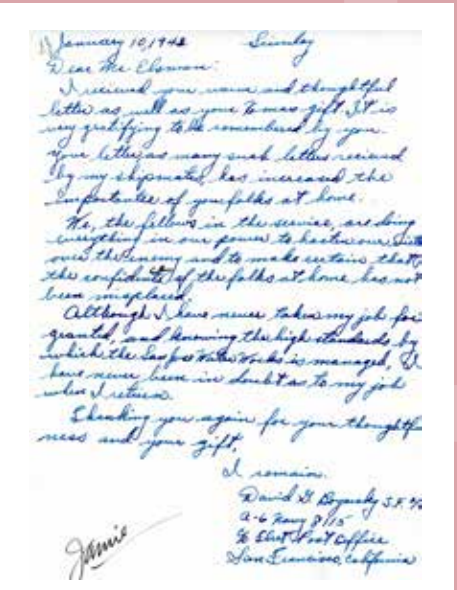
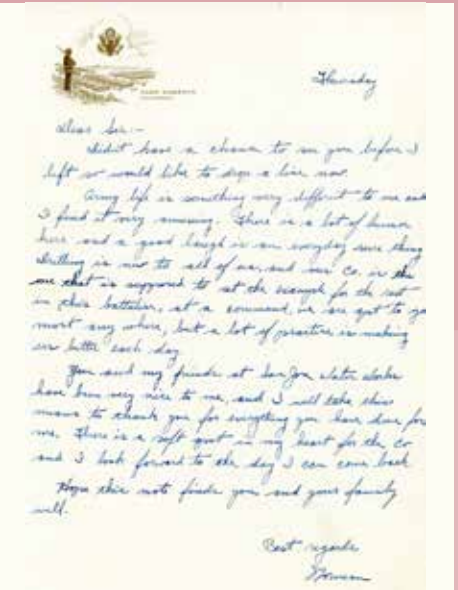
—Ralph Elsman, April 1945, in a letter to Norman Andrews



In WWI, Ernest “Ernie” D. Shannon was drafted and served in the 166th Depot Brigade, having bravely fought in the victorious St. Mihiel and Meuse Argonne offensives. As part of the San Jose Water Company family, his job as a serviceman was waiting for him upon his return.



Top Brass
To support the war effort in need of copper and brass, meter manufacturers used dissimilar metals during these years. The Company meter shop rebuilt and reissued these meters to customers into the 1970s showing the original date of manufacture.



Importing Water to Meet Demand

By 1960, it was clear that local water supplies could no longer keep up with the demand from customers. The Company made a long-range commitment to purchase imported water for future growth. The Santa Clara Valley Water District began importing water through the South Bay Aqueduct of the State Water Project in 1965.

After more than 30 years of service, Ralph Elsmann stepped down as President of San Jose Water Works, and in 1968 he was replaced by Nathaniel Kendall. He was the first President brought up from within the company's ranks—quite a journey from working as Chief Engineer in his cubbyhole at the pump house behind the main office. In 1970, he was elected chairman of the California Section of the American Water Works Association, one of the largest regional sections of the National Water Association, dating back to 1881.

PUMP SHUT-OFF SYSTEM
“MY FAMILY AND I WOULD
GO UP TO FLEMING
AVENUE AND SIT ON THE
STEPS TO WATCH THE
RESERVOIR GO DOWN.
WHEN IT GOT TO A
CERTAIN POINT, WE'D
SHUT OFF THE PUMPS SO
THEY WOULDN'T BURN
UP. THAT WAS WHEN
DECISIONS WERE MADE
ON SITE. THERE WERE NO
COMPUTERS.”
—TURK ANDREWS



NATHANIEL KENDALL LED
THE CONSTRUCTION OF THE
AUSTRIAN DAM IN 1951,
WHICH ADDED THE LARGEST
STORAGE CAPACITY TO THE
COMPANY'S DISTRIBUTION
SYSTEM—A TWO-BILLION
GALLON RESERVOIR NAMED
LAKE ELSMAN.

IN 1960 ALONE...
26 NEW WELLS WERE
DRILLED

83 MORE MILES OF
MAIN WERE INSTALLED



NATHANIEL KENDALL
PRESIDENT, 1968-1974

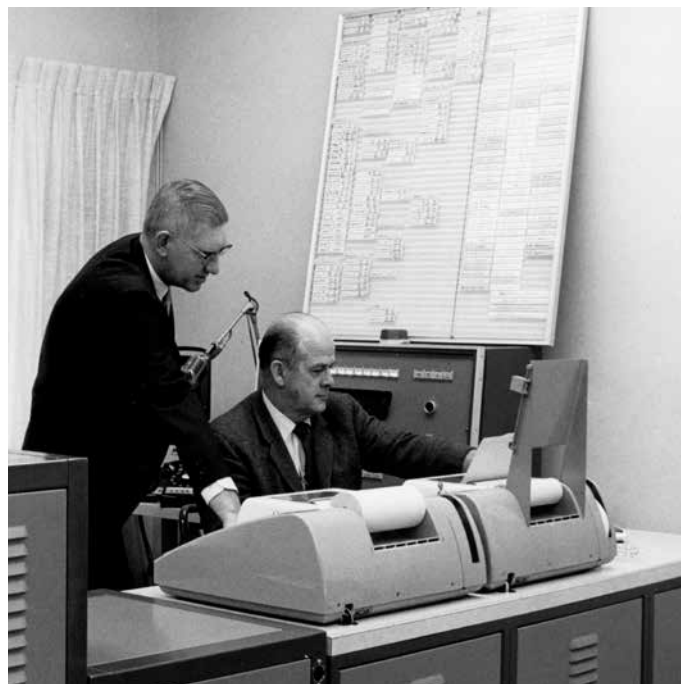
Upgrades and the Computer Age

J.W. Weinhardt served as President from 1974 to 1994. He placed a great deal of emphasis on enhancing the existing distribution system, automating many organizational functions with computers, and reorganizing the Company. During the 1970s and '80s, new and larger water mains were installed, replacing many of which were over a century old and too small to meet the current and future customer demands.

In 1989, the District's Santa Teresa Water Treatment Plant opened and provided a new source of imported water for the community. A year later, in order to provide quality service and accurate billings to customers, more than 10,000 old water meters were replaced to provide more precise water measurement. That same year, 41 billion gallons of water was delivered to the system.

The growth of the Company would continue almost entirely within its existing service boundary and through the acquisition of a number of small water systems adjacent to the Company's service area.

LARGEST SHAREHOLDERS
THE ROSCOE MOSS
COMPANY BEGAN
PURCHASING STOCK IN
SAN JOSE WATER WORKS
IN THE LATE 1970S
AND THE MOSS FAMILY
REMAINS ITS LARGEST
SHAREHOLDER TODAY. THE
ROSCOE MOSS COMPANY,
A WATER-WELL DRILLING
CONTRACTOR AND
MANUFACTURER OF WATER
PIPES AND WELL CASINGS,
DRILLED MOST OF THE
COMPANY'S WELLS OVER
THE YEARS.



J. W. WEINHARDT,
PRESIDENT, 1974-1994

Partnership with Community Youth

In 1985, San Jose Water Company became one of the original partners in an innovative school/business program launched by the San Jose Unified School District and the San Jose Metropolitan Chamber of Commerce. Partnering with Hacienda Science Magnet, an elementary school with a comprehensive program in the environmental sciences, the Company has committed resources and financial sponsorship to the school for the past three decades, supporting the students by sharing technical expertise to enhance the ponds and filtering system in the school’s outdoor classroom. Sponsored field trips and special programs allow the students to learn from local educational opportunities. This relationship continues to this day.

The Campbell Connection

In 1980, Campbell Water Company merged with San Jose Water Works, adding 5,300 customers to the Company’s customer base. Homer Hyde, President of Campbell Water Company, joined the San Jose Water Works as both a Vice President and Director. Built in 1927, the iconic Campbell Water Tower in downtown historic Campbell and adjacent pump house were donated to the City of Campbell by the San Jose Water Company in 1994. Today, the 130-foot tower stands tall as a beacon to the community and a reminder of the city’s rich history.

Name Change and Holding Companies

Returning to its roots, the name of the Company was changed back to San Jose

Water Company in 1983. Two years later, the shareholders approved the formation of a holding company, SJW Corp., which provides operations and financial flexibility in non-utility business. Additionally, another wholly-owned subsidiary named SJW Land Company was formed to acquire certain real estate property from San Jose Water Company.

Loma Prieta Earthquake

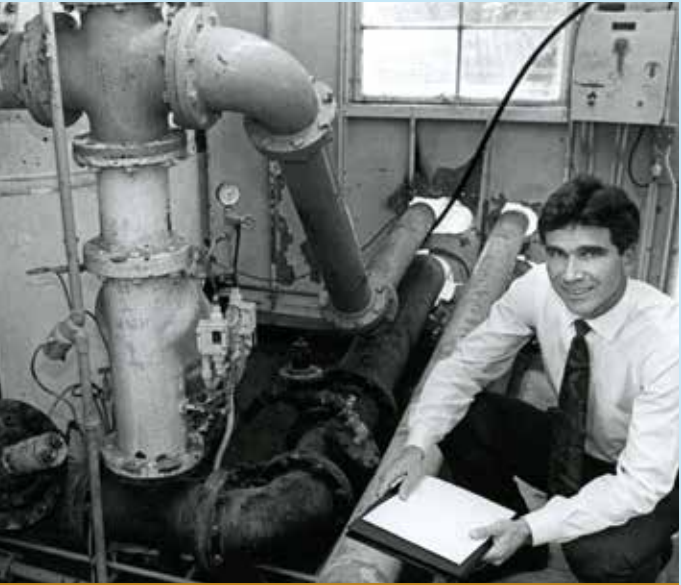
In the midst of the 1989 drought, the Loma Prieta earthquake struck on October 17. Most of the South Bay damage occurred in the Town of Los Gatos and the Santa Cruz mountain area. The Company’s earth-filled Austrian Dam at Lake Elsmán suffered the most damage, but temporary repairs were completed by the end of the year. A new Austrian Dam spillway was redesigned and rebuilt by the end of 1993. Thanks to the efforts of dedicated employees, the San Jose Water Company demonstrated exceptional responsiveness during this natural disaster.

The Big Freeze

In 1990, as temperatures plummeted to the low 20s during the four-day Christmas weekend, many customers reported broken water pipes and water outages. The Company handled over 5,000 calls during “The Big Freeze,” with an estimated 100-million-gallon water loss due to broken pipes. Many employees gave up Christmas Eve and Christmas Day with their families to provide service to our customers during this time.



REBUILDING OF THE AUSTRIAN DAM AFTER THE LOMA PRIETA EARTHQUAKE.



WITHIN 36 HOURS, 98% OF LOS GATOS CUSTOMERS’ WATER SERVICE HAD BEEN RESTORED.



LAKE COZZENS IS ONE OF FIVE RESERVOIRS WITHIN THE LOS GATOS CREEK WATERSHED.

Drought Response: Refined by Practice

Having learned from droughts over the years, the Company has been able to further improve its response and operations for even drier years ahead.

In the early part of the 20th century, cyclical droughts occurred and SJWC was quick to spread the conservation message through local newspapers of the era.

The company also kept a close eye on rainfall totals and the effect it had on water levels in the Company’s wells.

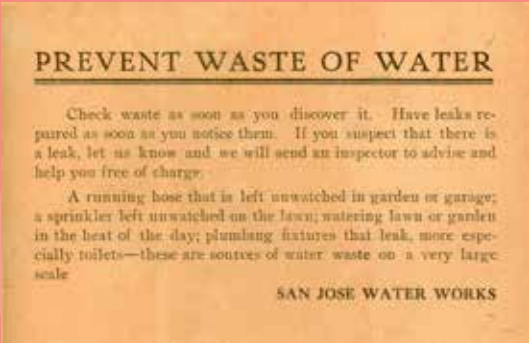
Effective Drought Response

While the drought of 1976-77 was relatively short-lived compared to what was in store, it had a strong impact on San Jose Water Works. Because of a well-designed distribution system, the Company was able to meet the customer demand. But customer education about conservation was just as important. The Company distributed water conservation kits to customers, including:

- Displacement bottles for toilets
- Flow restrictors for showerheads
- Dye tablets for leak detection.

These voluntary efforts resulted in a 23% reduction in usage levels from 1976 to 1977.

Mandatory water rationing was required for the first time in the Company's history in 1989.



By 1989, the Santa Clara Valley had suffered from three consecutive years of below normal rainfall. The Company continued its conservation education efforts, but also implemented a full-scale, mandatory water rationing plan.

- All customers were given water allocations.
- A list of prohibited water uses was developed.
- Excess use penalties were charged to customers who exceeded their water allocations.

The water rationing plan was a success. In 1990, customers exceeded the plan goal by achieving a 20.3% savings in water usage for the year.

This program marked a change for the Company, which was now in the business of managing water resources, not selling as much of it as possible. It developed a long-term plan for managing and conserving water supplies while providing an adequate and safe supply of water for customers that would serve the Company well in future periods of drought.

WATER LEVELS IN SELECTED WELLS, 1990						
Well Name	1989	1990	1991	1992	1993	1994
Well 1 (San Jose)	10.0	9.5	9.0	8.5	8.0	7.5
Well 2 (San Jose)	10.0	9.5	9.0	8.5	8.0	7.5
Well 3 (San Jose)	10.0	9.5	9.0	8.5	8.0	7.5
Well 4 (San Jose)	10.0	9.5	9.0	8.5	8.0	7.5
Well 5 (San Jose)	10.0	9.5	9.0	8.5	8.0	7.5
Well 6 (San Jose)	10.0	9.5	9.0	8.5	8.0	7.5
Well 7 (San Jose)	10.0	9.5	9.0	8.5	8.0	7.5
Well 8 (San Jose)	10.0	9.5	9.0	8.5	8.0	7.5
Well 9 (San Jose)	10.0	9.5	9.0	8.5	8.0	7.5
Well 10 (San Jose)	10.0	9.5	9.0	8.5	8.0	7.5
Well 11 (San Jose)	10.0	9.5	9.0	8.5	8.0	7.5
Well 12 (San Jose)	10.0	9.5	9.0	8.5	8.0	7.5
Well 13 (San Jose)	10.0	9.5	9.0	8.5	8.0	7.5
Well 14 (San Jose)	10.0	9.5	9.0	8.5	8.0	7.5
Well 15 (San Jose)	10.0	9.5	9.0	8.5	8.0	7.5
Well 16 (San Jose)	10.0	9.5	9.0	8.5	8.0	7.5
Well 17 (San Jose)	10.0	9.5	9.0	8.5	8.0	7.5
Well 18 (San Jose)	10.0	9.5	9.0	8.5	8.0	7.5
Well 19 (San Jose)	10.0	9.5	9.0	8.5	8.0	7.5
Well 20 (San Jose)	10.0	9.5	9.0	8.5	8.0	7.5

California’s Driest Period

California experienced the driest period in the state’s recorded rainfall history from 2011-2015.

- In 2013, California received less rain than in any year since it became a state in 1850.
- Governor Brown declared a drought State of Emergency in January 2014 asking all residents to conserve water.
- In 2015, the State Water Resources Control Board implemented mandatory water reductions to reduce potable urban water usage by 25% statewide.
- SJWC’s Water Shortage Contingency Plan, effective June 2015, included allocations that reflected a 30% cutback from 2013 average usage levels as requested by the Santa Clara Valley Water District.
- From June 2015 through April 2016, customers conserved 30%, besting both the State Water Resources Control Board’s and Santa Clara Valley Water District’s targets.

The winter of 2015-2016 brought much needed rain and snowfall that was much closer to normal levels—a marked improvement than the last four years. However, the groundwater supply, which makes up nearly half of Santa Clara County’s supply, has not seen a rebound to normal conditions. To continue to replenish the groundwater basin and protect against future droughts, mandatory conservation goals were changed to reflect a 20% reduction from 2013 levels.



Customer Conservation Program

SJWC offers a comprehensive water conservation program that provides customers:

- Free home and commercial water audits with personalized water conservation advice, low-flow showerheads and aerators, and water-saving tips for both inside and outside the home.
- Extensive outreach programs to help spread the conservation message
- A comprehensive drought webpage at www.sjwater.com under the California Drought banner.



Into the 21st Century

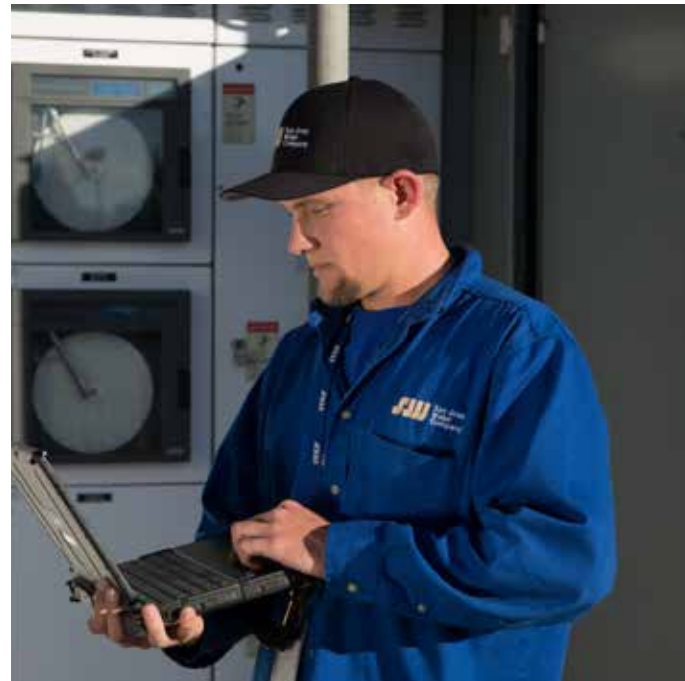
In 1996, SJWC appointed W. Richard Roth as its 12th president in 130 years. Under Roth's continued leadership, the Company has evolved with technological advances in operations necessary for 21st century success. Dedicated employees have embraced the change, learning complex new skills necessary to thrive in the evolving high-tech environment while providing excellent customer service along the way.

Located in the center of technology-driven Silicon Valley, it was a natural progression for San Jose Water Company to incorporate technology into its operations to create a more efficient organization for both its customers and employees, including:

- A web-based data service tracks and schedules hundreds of water quality samples
- An electronic bill payment program started in 2004 resulted in 31% of customers handling their billing electronically a year later
- Shifts in operations include advances in meter reading, microfiltration and water flushing



W. RICHARD ROTH,
PRESIDENT, 1996 - 2016



Meter Reading Evolution

In 2005, the company initiated pilot testing of automatic meter-reading technology (AMR). Using AMR, meter reads at 300 “hard-to-read” locations could be performed from the safety of a vehicle, thus preventing the need for placing employees in hazardous situations.

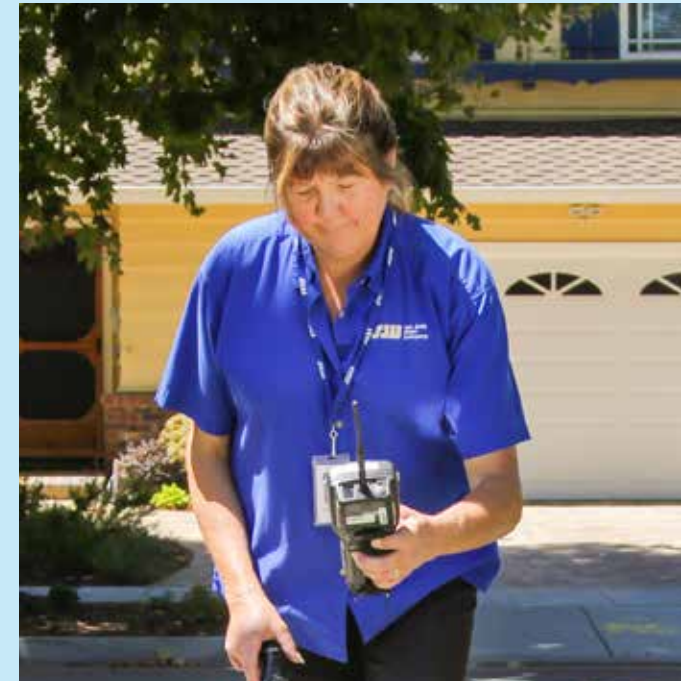
The Company is currently participating in an Advanced Metering Infrastructure (AMI) Residential Pilot Program. AMI uses new water meters to provide “real-time” water use information 24/7 to both the utility and the customer through automated, two-way communication. By sharing real-time data about water consumption, customers can manage their water use, identify leaks more quickly prompting quick repair, and increase the potential for water conservation. A thorough evaluation of the pilot will help determine if AMI is appropriate for SJWC and if full deployment of AMI within our service area is suitable.

By 2000, SJWC
SERVED MORE THAN
970,000 CUSTOMERS.

At the end of 2015,
70% OF ALL CUSTOMER
INTERACTIONS WITH SAN
JOSE WATER COMPANY
WERE DIGITAL.



IN 1992, METER READING WAS A MORE DANGEROUS JOB BUT
MANY CHANGES HAVE INCREASED SAFETY FOR EMPLOYEES.



Expanding Service Areas

San Jose Water assumed the operation of the City of Cupertino's water system under a 25-year lease in 1997. Adding its 4,200 connections involved physically linking the two systems and consolidating customer service, maintenance, water quality engineering and operating functions.

In 2006, SJWC's service area expanded with the acquisition of Redwood Mutual Water Company's water system. This Santa Cruz Mountains water utility added more than 800 metered connections to our distribution system.

Possible Acquisition

American Water Works and SJWC entered into a merger agreement in 1999, offering \$390 million to acquire SJWC. Facing a long approval process with the California Public Utilities Commission, American Water Works terminated the merger agreement. SJWC renewed its strong commitment to customer service, efficiency, and quality.

Preparations Paid Off

In 2002, the eleven-alarm "Santana Row" fire erupted in a densely populated neighborhood and retail district in San Jose. Our system and employees delivered more than five million gallons of water at high pressure in less than five hours. The massive demand placed on the water system and our ability to react quickly is a testament to the importance of planning, training, and making the investments necessary to protect the public health and safety.

IN 2007, WATER USE WAS LESS THAN IN 1987, DESPITE SERVING AN ADDITIONAL 80,000 RESIDENTS.

Montevina Water Treatment Plant Upgrade

In September 2015, SJWC broke ground on the renovation of the 60-year-old Montevina Water Treatment Plant facility, which will include the latest in microfiltration membrane technology. When complete, the plant will produce up to 30 million gallons per day of high quality drinking water for our customers and ensure maximum use of this low-cost, high-quality local water supply from the Santa Cruz Mountains.

Waste-Free Flushing

SJWC regularly flushes its water mains to remove any mineral deposits that remain in the system. Instead of the traditional method of opening fire hydrants and letting water rush down the street, our new circulating flushing truck reduces this discharge to virtually zero. Hoses are connected to two hydrants and back to the truck to recirculate water at high speeds through the truck's filters before returning to the distribution system with practically no water loss.



Looking Towards the Future

On March 14, 2016, Andrew R. Gere was appointed President and Chief Operating Officer of San Jose Water Company. With over 20 years of experience with the Company, he has a broad and comprehensive knowledge of the company's operations and its employees. Since his start as the Water Treatment Supervisor in 1995, Gere has been involved in Operations, Maintenance, and Water Quality departments, and was instrumental in launching and managing the Montevina Water Treatment Plant upgrade project.



ANDREW R. GERE,
PRESIDENT, 2016 - CURRENT



Celebrating by Giving Back

SJWC has maintained a long history of supporting the community in which we live, work and serve. We believe that “there can be no company without community” and in recognition of our 150th anniversary, SJWC made a special contribution to the Guadalupe River Park Conservancy. The \$150,000 gift will extend the Children’s Sculpture Walk into a one-mile path for local residents.

Former San Jose Rotary President, Shirley Lewis, is the inspiration behind the Children’s Sculpture Walk. Currently there are two installations in the Guadalupe River Park. In November 2016, SJWC unveiled two new cast-aluminum sculptures and four additional pieces will be added next year bringing the total to eight installations upon completion.

Having cast aluminum sculptures made to celebrate our 150th anniversary is coming full circle. Our first two water

tanks were located at the San Jose Foundry in downtown San Jose in 1866, and today, the San Jose State University Foundry will be making the sculptures commemorating our sesquicentennial.

The art inspiration for the 2017 sculptures has come from students at two local elementary schools – the Rotary’s Adopt-A-School partner, Washington Elementary School, and SJWC’s Adopt-A-School partner, Hacienda Environmental Science Magnet.

Community involvement has always been a priority as evidenced by Company-sponsored events like Water Appreciation Day with San Jose State University, the Guadalupe River Run, Water Awareness Night with the San Jose Giants, and Earth Day at Farnham Elementary School—each marking a special time in this momentous year.



That's Dedication. Celebrating 50 Years of Service.

Employees are the heart and soul of this company. Without their dedicated efforts providing high-quality water with exceptional customer service, the company would not have thrived for 150 years. While there are countless employees that have made this company a success, San Jose Water Company boasts two employees who have provided 50 years of service: Alexander Wesley Hess, Sr. and Bob Chaffin.

Employee #1

Alexander Hess started working for the company on May 18, 1885 as employee Number 1 of 5. His first job was to tend the company's only 40-gallon-per-minute pump. Hess often had to run his pumps standing hip-deep in flood water from the Los Gatos and Guadalupe Creeks. At his commemorative event for a Golden Jubilee of service, Hess received a silver plaque.

The 80-year-old said:

"I'm going to stay in the harness as long as I can wiggle. When a man likes his job as well as I do, he'd be foolish to quit."



"My main message to our staff is to treat everyone like you would want to be treated. Do the job right. I've had customers angry at the beginning of the day, and thanking me at its end."

The Big 5-0

"50" has a special meaning to Bob Chaffin. In 2015, he celebrated his 50th year with San Jose Water Company, his 50th wedding anniversary to his wife Kathy and his son's 50th birthday.

As a teenager, Bob worked summers at San Jose Water Works before becoming a full-time employee in 1965. His first full-time paycheck was \$135 a month for working in the storeroom. Over the years, he learned every aspect of the water business from meter reading to Operations.

From using smudge pots to light a job site, to being lowered into a hole in a backhoe bucket to fix a leak, Bob has seen the company come a long way to the modern, safer procedures that guide our operations today.

As a seasoned Crew Leader in the Distribution Systems Department, Bob is the heart of the department. He has mentored generations of employees with humor, patience and extensive knowledge and experience.



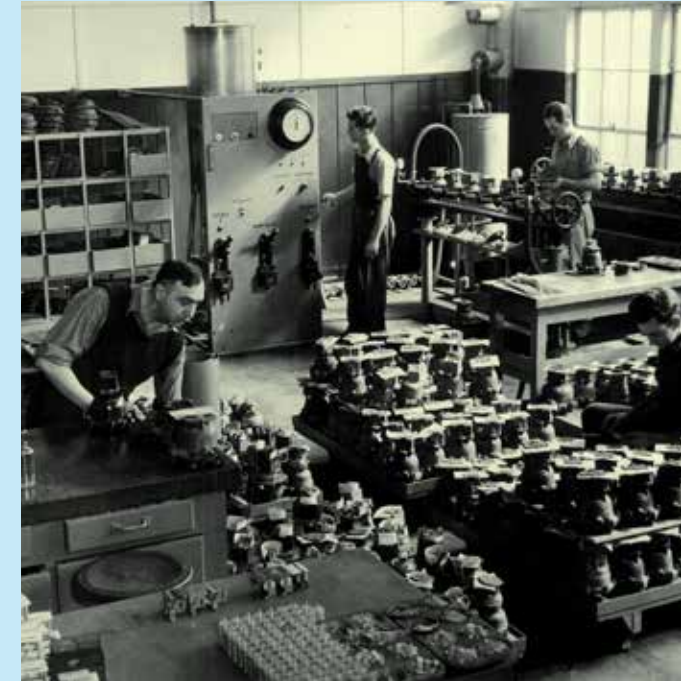
Bob Chaffin's collection of employee rings – each ring commemorates five years of service.

We've Come a Long Way

As California's oldest investor-owned water utility, the company is proud of its 150 year history. In 1866, our company founders stated that, "The object of the Company is to supply the City of San Jose and other cities and towns in the County of Santa Clara of the State of California and the inhabitants thereof with pure, fresh water." We're gratified to have achieved that objective.

The key to providing safe, quality water with exceptional customer service? Consistent growth, smart conservation, technological advances and exceptional people.

Here's looking at the next 150 years!



**San Jose Water Company
150th Anniversary**

There are so many stories to tell when a company reaches its 150th year of service. It is impossible to thank everyone who has helped along the way to build this company, serve the community and provide “good and pure water” to customers. To all the past and current employees, thank you for your remembrances, support and dedication to San Jose Water Company.

History San José provided wonderful photos of San Jose in its early years. Lance and Sharon Pryor shared family pictures and history of Henry William Mitchell. San José State University Library’s Special Collections & Archives gave permission to share its John C. Gordon Photographic Negatives Collection (MSS-2011-05- 01) that included rare photos of the company from the early 1900s.