

FORM 10-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
 ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2000
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period _____ to _____
Commission file number 1-8966

SJW CORP.

(Exact name of registrant as specified in its charter)

California 77-0066628

(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

374 West Santa Clara Street, San Jose, California 95196

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code 408-279-7800

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Name of each exchange on which registered
Common Stock, Par Value \$3.125	American Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

None
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the voting stock held by non-affiliates of the registrant - \$154,030,184 on March 6, 2001.

Shares of common stock outstanding on March 6, 2001 - 3,045,147.

EXHIBIT INDEX

The Exhibit Index to this Form 10-K is located in Part IV, Item 14 of this document.

TABLE OF CONTENTS

PART I	Page
-----	-----
FORWARD-LOOKING STATEMENTS	5
Item 1. BUSINESS	6
a. General Development of Business	7
b. Financial Information about Industry Segments	8
c. Narrative Description of Business	9

General	9
Water Supply	9
Franchises	10
Seasonal Factors	10
Competition and Condemnation	10
Environmental Matters	11
Employees	11
Financial Information about Foreign and Domestic Operations and Export Sales	11

Item 2. PROPERTIES	12
Item 3. LEGAL PROCEEDINGS	12
Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS	13

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS	13
a. Market Information	13
b. Holders	13
c. Dividends	13
Item 6. SELECTED FINANCIAL DATA	13
Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	15
Item 7a. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	21
Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA	21
Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	40

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT	40
Item 11. EXECUTIVE COMPENSATION	45
Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	49
Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	50

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K	50
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EXHIBIT INDEX	51
---------------	----

SIGNATURES	55
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PART I

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements relating to future events and financial performance of SJW Corp. Such forward-looking statements are identified by words including "expect", "estimate", "anticipate" and similar expressions. SJW Corp.'s actual results could differ materially from those discussed in such forward-looking statements. Important factors that could cause or contribute to such differences are included below.

The California Public Utilities Commission's (CPUC) policy and regulations can adversely affect San Jose Water Company's operating results through the availability, timeliness and amount of rate relief. The CPUC's willingness to allow San Jose Water Company to recover its capital expenditures, to offset its incremental production and operating costs increase, and to

provide financial and operational flexibility to engage in nonregulated operations can also affect San Jose Water Company's operating results.

San Jose Water Company's sales and therefore its operating results could be adversely affected by several events:

Difficulties in obtaining a secured high-quality water supply from the Santa Clara Valley Water District (SCVWD) which receives its allotment from the state and federal water projects could prevent the company from satisfying its customer demand within its service area;

Fluctuation of customer sales due to lifestyle or weather;

Availability of recycled water and its acceptance by customers as a substitute to potable water; and

Economic development and growth in San Jose Water Company's service area.

The expenses of SJW Corp. and its subsidiaries and therefore the operating results of SJW Corp. could be adversely affected by the following:

Fluctuation of high-quality surface water availability from San Jose Water Company's Santa Cruz Mountain Watershed, which produces a less costly water supply, could result in the need to procure more costly water from other sources;

The availability of affordable and efficient energy resources to extract and boost water from the groundwater basin to the distribution system, and to operate equipment and machinery necessary in providing water service to the customers could increase operating expenses;

Stringent environmental and water quality regulations could increase San Jose Water Company's water quality compliance costs and hamper San Jose Water Company's available water supplies;

Consequences from pollution and contamination of San Jose Water Company's wells and source of supply could result in the need to procure more costly water from other sources;

The level of labor and non-labor operating and maintenance expenses as affected by inflationary forces and collective bargaining power could adversely affect the operating and maintenance expenses of SJW Corp.;

Cost and other effects of lawsuits against SJW Corp. or its subsidiaries, whether civil, environmental, product-related or liability-related could increase SJW Corp.'s legal, liability and insurance costs.

The City of Cupertino's lease operation could be adversely affected by the capital requirements, the ability of San Jose Water Company to raise rates through the Cupertino City Council and the level of operating and maintenance expenses.

SJW Land Company's expenses and operating results also could be adversely affected by the parking lot activities, the San Jose Arena events, ongoing local, state and federal land use development activities and regulations, future economic conditions, and the development and fluctuations in the sale of the undeveloped properties.

See also the heading "Factors That May Adversely Affect Future Operation Results" under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations".

SJW Corp. undertakes no obligation to update the information contained in this report, including the forward-looking statements.

Item 1. BUSINESS

a. General Development of Business

SJW Corp. was incorporated in California on February 8, 1985. SJW Corp. is a holding company with two wholly owned subsidiaries, San Jose Water Company and SJW Land Company.

San Jose Water Company, with headquarters at 374 West Santa Clara Street, San Jose, California 95196, was reorganized under the laws of the State of California in 1931, succeeding a business founded in 1866. San Jose Water Company is a public utility in the business of providing water service to a population of approximately 985,000 people in an area comprising about 138 square miles in the metropolitan San Jose area. San Jose Water Company's web site can be accessed via the Internet at <http://www.sjwater.com>.

SJW Land Company was incorporated in October, 1985. SJW Land Company owns and operates parking facilities adjacent to the company's headquarters and the San Jose Arena. SJW Land Company also owns commercial buildings in San Jose and a 70% limited partnership interest in 444 West Santa Clara Street, L.P.

SJW Corp. also owns 1,099,952 shares of California Water Service Group.

In January 2001, SJW Corp. formed Crystal Choice Water Service LLC, a limited liability company, with Kinetico, Incorporated, a leading water conditioning equipment manufacturer. SJW Corp. owns 75% of the joint venture. Crystal Choice Water Service LLC engages in the water conditioning business. The Crystal Choice Water Service LLC operation is not expected to be material to the overall financial position and operating results of SJW Corp.

The Merger

On October 28, 1999, SJW Corp. and American Water Works Company, Inc. (American Water) entered into an Agreement and Plan of Merger (Merger Agreement). SJW Corp. and American Water filed a joint application with the California Public Utilities Commission (CPUC), requesting approval to complete the transaction. The Merger Agreement set April 28, 2001 as the date after which either party could terminate the agreement if CPUC approval is not obtained.

In August 2000, the CPUC established a schedule for consideration of the proposed merger that contemplated a decision in April, 2001. In October, 2000 the CPUC Office of Ratepayer Advocates issued a report opposing the merger and questioning the benefits to ratepayers. Hearings started in November 2000, and have extended beyond the scheduled completion date. On February 20, 2001, the CPUC revised its ruling scheduling further hearing dates in March and April of 2001, and contemplating a CPUC meeting to consider the proposed decision in September 2001. Following the ruling setting forth the new schedule, American Water announced that it would terminate the Merger Agreement on April 28, 2001, because of regulatory uncertainties and delays, and offered to consent to mutual termination of the agreement.

On March 1, 2001, SJW Corp.'s Board of Directors decided that it would be in the best interest of the company to terminate the Merger Agreement, and accepted American Water's offer for mutual termination.

Regulation and Rates

San Jose Water Company's rates, service and other matters affecting its business are subject to regulation by the California Public Utilities Commission (CPUC).

Ordinarily, there are two types of rate increases, general and offset. The purpose of the latter is generally to compensate utilities for increases in specific expenses, such as those for purchased water, pump tax or power.

General rate case decisions usually authorize an initial rate increase followed by two annual step increases designed to maintain the authorized return on equity over a three-year period. General rate applications are normally filed and processed during the last year covered by the most recent rate case in an attempt to avoid regulatory lag.

Pursuant to Section 792.5 of the California Public Utilities Code, a balancing account is to be kept for all expense items for which revenue offsets have been authorized. A separate balancing account must be maintained for each offset expense item (e.g. purchased water, purchased power and pump tax). The purpose of a balancing account is to track the under-collection or over-collection associated with expense changes and the revenue authorized by the CPUC to offset those expense changes. At December 31, 2000, the balancing account had a net over-collected balance to be refunded of \$944,000.

(b) Financial Information about Industry Segments.

San Jose Water Company generated 99% of SJW Corp.'s consolidated revenue for the years ended December 31, 2000, 1999, and 1998. There were no significant changes in 2000 in the type of products produced or services rendered by San Jose Water Company, or in its markets or methods of distribution.

SJW Land Company contributed 1% to SJW Corp.'s consolidated revenue in 2000, 1999, and 1998. In 1999 and 1998, SJW Land Company sold non utility properties and contributed a higher net income percentage to SJW Corp.'s consolidated income for those respective years.

Dividend income from California Water Service Group generated 11%, 7% and 7% of consolidated income for the years 2000, 1999, and 1998, respectively.

(c) Narrative Description of Business.

(1) (i) General

The principal business of San Jose Water Company consists of the production, purchase, storage, purification, distribution and retail sale of water. San Jose Water Company provides water service to customers in portions of the cities of Cupertino and San Jose and in the cities of Campbell, Monte Sereno, Saratoga and the Town of Los Gatos, and adjacent unincorporated territory, all in the County of Santa Clara in the State of California. It distributes water to customers in accordance with accepted water utility methods, which include pumping from storage and gravity feed from high elevation reservoirs.

In October 1997, San Jose Water Company commenced operation of the City of Cupertino Municipal water system under terms of a 25-year lease. The system is adjacent to the existing San Jose Water Company Service area and has 4,200 service connections. Under terms of the lease, San Jose Water Company made an up-front \$6.8 million lease payment to the City which will be amortized over the lease term. The company is responsible for all aspects of system operation including capital improvements.

(1) (iii) Water Supply

San Jose Water Company's water supply is obtained from wells, surface run-off or diversion and by purchases from the Santa Clara Valley Water District (SCVWD). Under terms of a master contract with SCVWD expiring in 2051, purchased water provides approximately 40% to 45% of San Jose Water Company's annual production. Surface supplies, which during a year of normal rainfall satisfy about 6% to 8% of San Jose Water Company's current annual needs, provide approximately 1% of its water supply in a dry year and approximately 14% in a wet year. In dry years the decrease in water from surface run-off and diversion, and the corresponding increase in purchased and pumped water, increases production costs substantially.

Groundwater levels in 2001 remained at an average level reflecting the impact of the last rainfall season. SCVWD's reservoir storage of approximately 93,643 acre-feet (55% of capacity) was reported on March 7, 2001.

The pumps and motors at San Jose Water Company's groundwater production facilities are propelled by electric power. Over the last few years San Jose Water Company has installed standby power generators at eighteen of its strategic water production sites. In addition, the commercial office and operations control centers are also equipped with standby generators that allow critical distribution and customer service operations to continue during a power outage. The SCVWD also informed San Jose Water Company

that its filter plants, which deliver imported water to San Jose Water Company, are also equipped with standby generators. In the event of a power outage, San Jose Water Company believes it will be able to prevent an interruption of service to customers for a limited period through pumping water with its standby generators and through the imported water from SCVWD.

Until 1989, San Jose Water Company had never found it necessary to impose mandatory water rationing. Except in a few isolated cases when service had been interrupted or curtailed because of power or equipment failures, construction shutdowns or other operating difficulties, San Jose Water Company had not at any prior time in its history interrupted or imposed mandatory curtailment of service to any type or class of customer. During the summer of 1989 through March 1993, rationing was imposed intermittently, to all customers based on request from SCVWD.

(1) (iv) Franchises

San Jose Water Company holds such franchises or permits in the communities it serves as it judges necessary to operate and maintain its facilities in the public streets.

(1) (v) Seasonal Factors

Water sales are seasonal in nature. The demand for water, especially by residential customers, is generally influenced by weather conditions. The timing of precipitation and climatic conditions can cause seasonal water consumption by residential customers to vary significantly.

(1) (x) Competition and Condemnation

San Jose Water Company is a public utility regulated by the CPUC and operates within a service area approved by the CPUC. The laws of the State of California provide that no other investor owned public utility may operate in San Jose Water Company's service area without first obtaining from the CPUC a certificate of public convenience and necessity. Past experience shows such a certificate will be issued only after demonstrating San Jose Water Company's service in such area is inadequate.

California law also provides that whenever a public agency constructs facilities to extend utility service to the service area of a privately owned public utility (like San Jose Water Company), such an act constitutes the taking of property and is conditioned upon payment of just compensation to the private utility.

Under the constitution and statutes of the State of California, municipalities, water districts and other public agencies have been authorized to engage in the ownership and operation of water systems. Such agencies are empowered to condemn properties operated by privately owned public utilities upon payment of just compensation and are further authorized to issue bonds (including revenue bonds) for the purpose of acquiring or constructing water systems. To the Company's knowledge, no municipality, water district or other public agency has pending any action to condemn any part of San Jose Water Company's system.

(1) (xii) Environmental Matters

San Jose Water Company maintains procedures to produce potable water in accordance with all applicable county, state and federal environmental rules and regulations. Additionally, San Jose Water Company is subject to environmental regulation by various other governmental authorities. See Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

(1) (xiii) Employees

As of December 31, 2000, San Jose Water Company had 277 employees, of whom 62 were executive, administrative or supervisory personnel, and of whom 215 were members of unions. San Jose Water Company reached a three-year collective bargaining agreement with the Utility Workers of America, representing the majority of employees and the International Union of Operating Engineers, representing certain employees in the engineering department covering the years 2001 through 2003. Both groups are affiliated with the AFL-CIO.

(d) Financial Information about Foreign and Domestic Operations and Export Sales.

Substantially all of SJW Corp.'s revenue and expense are derived from operations located in the County of Santa Clara in the State of California.

Item 2. PROPERTIES

The properties of San Jose Water Company consist of a unified system of water production, storage, purification and distribution located in the County of Santa Clara in the State of California. In general, the property is comprised of franchise rights, water rights, necessary rights-of-way, approximately 7,000 acres of land held in fee (which is primarily non-developable watershed), impounding reservoirs with a capacity of approximately 2.256 billion gallons, diversion facilities, wells, distribution storage of approximately 240 million gallons and all water facilities, equipment and other property necessary to supply its customers.

San Jose Water Company maintains all of its properties in good operating condition in accordance with customary proper practice for a water utility. San Jose Water Company's well pumping stations have a production capacity of approximately 264 million gallons per day and the present capacity for taking purchased water is approximately 172 million gallons per day. The gravity water collection system has a physical delivery capacity of approximately 25 million gallons per day. During 2000, a maximum and average of 217 million gallons and 138 million gallons of water per day, respectively, were delivered to the system.

San Jose Water Company holds all its principal properties in fee, subject to current tax and assessment liens, rights-of-way, easements, and certain minor clouds or defects in title which do not materially affect their use.

SJW Land Company owns approximately eight acres of property adjacent to San Jose Water Company's general office facilities, approximately five undeveloped acres of land and commercial properties in the metropolitan San Jose area. The majority of the land adjacent to San Jose Water Company are used as surface parking facilities and generate over 50% of SJW Land Company's revenue. Under a ten-year long term lease, San Jose Water Company leased half of the office space from SJW Land Company's 1265 Bascom Avenue building as its engineering headquarters. Approximately 23% of SJW Land Company's revenue is generated from this commercial building. SJW Land Company also owns a 70% limited partnership interest in 444 West Santa Clara, L.P., a real estate limited partnership that owns and operates an office building.

Item 3. LEGAL PROCEEDINGS
None

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS
None

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(a) Market Information
(1) (i) Exchange

SJW Corp.'s common stock is traded on the American Stock Exchange under the symbol "SJW".

(1) (ii) High and Low Sales Prices.

The information required by this item as to the high and low sales prices for SJW Corp.'s common stock for each quarter in the 2000 and 1999 fiscal years is contained in the section captioned "Market price range of stock" in the tables set forth in Note 11 of "Notes to Consolidated Financial Statements" in Part II, Item 8.

(b) Holders.

There were 856 record holders of SJW Corp.'s common stock on December 31, 2000.

(c) Dividends.

Quarterly dividends have been paid on SJW Corp.'s and its predecessor's common stock for 229 consecutive quarters and the quarterly rate has been increased during each of the last 33 years. The information required by this item as to the cash dividends paid on common stock in 2000 and 1999 is contained in the section captioned "Dividends per share" in the tables set forth in Note 11 of "Notes to Consolidated Financial Statements" in Part II, Item 8. Future dividends will be determined by the Board of Directors after consideration of various financial, economic and business factors.

Item 6. SELECTED FINANCIAL DATA

FIVE YEAR STATISTICAL REVIEW
SJW CORP. AND SUBSIDIARIES

	2000	1999	1998	1997	1996

CONSOLIDATED RESULTS					
OF OPERATIONS (in thousands)					
Operating revenue	\$123,157	117,001	106,010	110,084	102,593
Operating expense:					
Operation	75,008	67,676	57,454	61,382	57,231
Maintenance	6,881	6,638	6,909	7,087	6,851
Taxes	11,496	12,713	13,206	13,454	12,234
Depreciation and amortization	11,847	10,235	9,594	8,847	8,671

Total operating expense	105,232	97,262	87,163	90,770	84,987

Operating income	17,925	19,739	18,847	19,314	17,606
Interest expense, other income and deductions	7,260	3,855	2,829	4,098	(954)

Net income	10,665	15,884	16,018	15,216	18,560
Dividends paid	7,491	7,379	7,419	7,228	7,163

Invested in the business	\$3,174	8,505	8,599	7,988	11,397
=====					
CONSOLIDATED PER SHARE DATA					
Net income	\$3.50	5.20	5.05	4.80	5.75
Dividends paid	\$2.46	2.40	2.34	2.28	2.22
Shareholders' equity at year-end	\$47.40	47.25	45.19	42.13	37.86
=====					

CONSOLIDATED BALANCE SHEET (in thousands)

Utility plant	\$462,892	432,262	403,227	371,200	342,368
Less accumulated depreciation and amortization	139,396	129,828	122,809	114,851	107,584

Net utility plant	323,496	302,434	280,418	256,349	234,784

Nonutility property	9,979	10,133	11,360	7,301	7,287

Total assets	391,930	372,427	359,380	323,223	296,536
Capitalization:					
Shareholders' equity	144,325	143,894	143,149	133,553	120,028
Long-term debt (includes current maturities)	90,000	90,000	90,000	75,000	76,500

Total capitalization	\$234,325	233,894	233,149	208,553	196,528
=====					

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

DESCRIPTION OF THE BUSINESS

SJW Corp. is a holding company with two wholly owned subsidiaries: San Jose Water Company and SJW Land Company. San Jose Water Company is a public utility in the business of providing water service to a population of approximately 985,000 in an area comprising about 138 square miles in the metropolitan San Jose area. SJW Land Company owns and operates a 900-space surface parking facility located adjacent to the San Jose Arena and also owns commercial buildings and several undeveloped real estate parcels in San Jose. SJW Corp. owns 1,099,952 shares of California Water Service Group.

THE MERGER

On October 28, 1999, SJW Corp. and American Water Works Company, Inc. (American Water) entered into an Agreement and Plan of Merger (Merger Agreement). SJW Corp. and American Water filed a joint application with the California Public Utilities Commission (CPUC), requesting approval to complete the transaction. The Merger Agreement set April 28, 2001 as the date after which either party could terminate the agreement if CPUC approval is not obtained.

In August 2000, the CPUC established a schedule for consideration of the proposed merger that contemplated a decision in April, 2001. In October, 2000 the CPUC Office of Ratepayer Advocates issued a report opposing the merger and questioning the benefits to ratepayers. Hearings started in November 2000 and have extended beyond the scheduled completion date. On February 20, 2001, the CPUC revised its ruling scheduling further hearing dates in March and April of 2001, and contemplating a CPUC meeting to consider the proposed decision in September 2001. Following the ruling setting forth the new schedule, American Water announced that it would terminate the Merger Agreement on April 28, 2001, because of regulatory uncertainties and delays, and offered to consent to mutual termination of the agreement.

On March 1, 2001, SJW Corp. Board of Directors decided that it would be in the best interest of the company to terminate the Merger Agreement, and accepted American Water's offer for mutual termination.

RESULTS OF OPERATIONS

CONSOLIDATED OPERATING REVENUE	(in thousands)		
	2000	1999	1998
San Jose Water Company	\$121,339	115,689	105,025
SJW Land Company	1,818	1,312	985
	\$123,157	117,001	106,010

Consolidated operating revenue for 2000 increased \$6,156,000 or 5% over 1999 mainly due to a 3% increase in water consumption, which contributed \$2,638,000 to revenue. Rate increases and new customers contributed \$3,306,000 and \$778,000, respectively, to 2000 revenue. Included in the 2000 revenue was a provision of \$1,072,000 for a refund due to customers. The refund reflected a regulatory adjustment on previously capitalized interest on utility plant under construction, which was disallowed by the CPUC. SJW Land Company's revenue improved due to increased parking lot and office rental activities.

Consolidated operating revenue for 1999 increased \$10,991,000, or 10%, from 1998 mainly due to a 4% increase in water consumption and increased office rental activities. Rate increases and new customers contributed \$6,048,000 and \$752,000, respectively, to 1999's revenue.

CONSOLIDATED OPERATING EXPENSE	(in thousands)		
	2000	1999	1998
San Jose Water Company	\$94,174	86,276	76,559
SJW Land Company	713	944	566
SJW Corp.	2,936	1,168	353
	\$97,823	88,388	77,478

Consolidated operating expense in 2000, excluding income taxes, increased \$9,435,000, or 11%, in comparison with 1999 due to higher purchased water and pump tax rates, increased water consumption and additional administrative compensation accrued in conjunction with the proposed merger. Consolidated operating expense also included a regulatory adjustment of \$621,000 of previously capitalized interest on utility plant under construction, which was disallowed by the CPUC.

Consolidated operating expense in 1999, excluding income taxes, increased 14% in comparison with 1998 due to increased water production.

SOURCES OF SUPPLY	(million gallons)		
	2000	1999	1998
Purchased water	27,494	27,195	25,436
Ground water	19,788	18,438	16,379
Surface water	4,381	5,232	6,246
Reclaimed water	358	301	79
	52,021	51,166	48,140

Water production in 2000 increased 855 million gallons, or 2%, from 1999. Water production in 1999 increased 3,105 million gallons, or 6%, over 1998. The changes are consistent with the related operating expenses.

The effective consolidated income tax rates for 2000, 1999 and 1998 were 41%, 41% and 40%, respectively. Refer to Note No. 6 of the "Notes to Consolidated Financial Statements" for the reconciliation of income tax expense to the amount computed by applying the federal statutory rate to income before income taxes.

OTHER INCOME AND EXPENSE

The 2000 dividend income increased \$17,000, or 1%, over 1999 due to a \$.01 per share increase in the California Water Service Group annual dividend.

San Jose Water Company's interest cost on long-term debt in 2000, including capitalized interest, remained consistent with 1999. San Jose Water Company's weighted average cost of long-term debt, including amortization of debt issuance costs, was 8.04% for the years ended December 31, 2000, 1999 and 1998.

In association with SJW Corp.'s proposed merger with American Water Works Company, Inc., certain merger-related expenses in the amount of \$1,614,000 and \$1,588,000 were incurred in 2000 and 1999, respectively.

Other income in 1999 and 1998 included gains on sale of nonutility properties to affiliated and non-affiliated parties.

LIQUIDITY AND CAPITAL RESOURCES

CAPITAL REQUIREMENTS

San Jose Water Company's budgeted capital expenditures for 2001 compared to 2000, exclusive of capital expenditures financed by customer contributions and advances, are as follows:

BUDGETED CAPITAL EXPENDITURES	(in thousands)			
	2001		2000	
Source of supply	\$157	1%	\$ 72	-%
Reservoirs and tanks	4,817	20%	3,470	14%
Pump stations and equipment	2,258	9%	1,391	6%
Distribution system	14,987	62%	15,286	62%
Equipment and other	1,778	8%	4,332	18%
	\$23,997	100%	\$24,551	100%

The 2001 capital budget is concentrated in main replacements and

facility relocation. Approximately \$15 million will be spent to systematically renew San Jose Water Company's aging infrastructure and \$2.6 million in upgrading the company's water treatment facilities.

San Jose Water Company expects to incur approximately \$120 million, exclusive of customer contributions and advances, in capital expenditures over the next five years. The company's actual capital expenditures may vary from its projection due to changes in the expected demand for services, weather patterns, actions by governmental agencies and general economic conditions. Total additions to utility plant normally exceed company-financed additions by several million dollars because certain new facilities are constructed using advances from developers and contributions in aid of construction.

Most of San Jose Water Company's distribution system has been constructed over the last 40 years. Expenditure levels for renewal and modernization of this part of the system will grow at an increasing rate as these components reach the end of their useful lives. Additionally, in most cases, replacement cost will significantly exceed the original installation cost of the retired asset due to increases in the cost of goods and services.

SOURCES OF CAPITAL

San Jose Water Company's ability to finance future construction programs and sustain dividend payments depends on its ability to attract external financing and maintain or increase internally generated funds. The level of future earnings and the related cash flow from operations is dependent, in large part, upon the timing and outcome of regulatory proceedings.

Over the past five years, SJW Corp. has paid its shareholders, in the form of dividends, an average of 50% of its net income. The remaining earnings have been reinvested. Capital requirements not funded by earnings are expected to be funded through external financing in the form of unsecured senior notes or a commercial bank line of credit. As of December 31, 2000, SJW Corp. and its subsidiaries had \$28.8 million of unused line of credit and over \$50 million of borrowing capacity under the terms of the senior note agreements.

San Jose Water Company's financing activity is designed to achieve a capital structure consistent with regulatory guidelines of approximately 50% debt and 50% equity.

In 1998, San Jose Water Company issued \$15 million in a Series E unsecured 30-year senior note.

FACTORS THAT MAY AFFECT FUTURE RESULTS

REGULATED OPERATIONS

The results of operations of San Jose Water Company generally depend on the following factors: (1) regulation, (2) surface water supply and (3) operation and maintenance expense.

REGULATION

Principally all the operating revenue of San Jose Water Company results from the sale of water at rates authorized by the CPUC. The CPUC sets rates that are intended to provide revenue sufficient to recover operating expenses and produce a reasonable return on common equity. The company's most recent rate case was filed in January 2000. Hearings were completed in the summer of 2000 and the administrative law judge rendered a proposed decision in November 2000. The company is expected to receive the Commission's final decision on the rate increase in the spring of 2001.

In December 2000, San Jose Water Company received a CPUC decision requiring the company to reduce its utility plant by \$621,000 of previously capitalized interest on utility plant under construction. San Jose Water Company also accrued \$1,072,000 as a refund due to customers as a result of the utility plant reduction. This decision settled the capitalized interest in dispute and the regulatory mechanism regarding capitalized interest in the future.

SURFACE WATER SUPPLY

The level of surface water available in each year depends on the amount of rainfall and run-off collected in San Jose Water Company's Santa Cruz Mountains reservoirs. In a normal year, surface supply provides 6-8% of the total water supply of the system. Surface water is a less costly source of water and its availability may significantly impact the results of operations.

OPERATION AND MAINTENANCE EXPENSE

San Jose Water Company reached an agreement with its unionized personnel covering 2001 through 2003. The agreement includes a 4% wage increase for both years and minor benefit modifications.

ENVIRONMENTAL MATTERS

San Jose Water Company's operations are subject to water quality and pollution control regulations issued by the United States Environmental Protection Agency (EPA), the California Department of Health Services (DHS) and the California Regional Water Quality Control Board. The company is also subject to environmental laws and regulations administered by other state and local regulatory agencies.

Under the federal Safe Drinking Water Act (SDWA), San Jose Water Company is subject to regulation by the EPA of the quality of water it sells and treatment techniques it uses to make the water potable. The EPA promulgates nationally applicable maximum contaminant levels (MCLs) for drinking water. San Jose Water Company is currently in compliance with all of the 87 primary MCLs promulgated to date. However, the EPA and DHS have continuing authority to issue additional regulations under the SDWA. San Jose Water Company has implemented monitoring activities and installed specific water treatment improvements enabling it to comply with all existing MCLs and plan for compliance with future drinking water regulations. On January 22, 2001, the EPA finalized new regulations revising the primary standard for arsenic from 50 parts per billion (ppb) down to 10 ppb. San Jose Water Company has monitored its water supply sources for arsenic and is in compliance with the new regulations.

Other state and local environmental regulations apply to San Jose Water Company's operations and facilities. These regulations relate primarily to the handling, storage and disposal of hazardous materials. San Jose Water Company is currently in compliance with state and local regulations governing hazardous materials, point and non-point source discharges and the warning provisions of the California Safe Drinking Water and Toxic Enforcement Act of 1986.

Future drinking water regulations may require increased monitoring, additional treatment of underground water supplies, fluoridation of all supplies, more stringent performance standards for treatment plants and procedures to reduce levels of disinfection by-products. San Jose Water Company continues to seek to establish mechanisms for recovery of government-mandated environmental compliance costs. However, currently, there are limited regulatory mechanisms and procedures available to the company for the recovery of such costs and there can be no assurance that such costs will be fully recovered.

NONREGULATED OPERATIONS

The investment in California Water Service Group is expected to produce 2001 pre-tax dividend income and cash flow of approximately \$1.2 million. SJW Land Company's parking revenue is largely dependent upon the level of events and activities at the San Jose Arena which is located adjacent to its parking facility. SJW Land Company's commercial property and the property developed by the limited partnership, of which SJW Land Company owns a 70% limited interest, are fully leased.

The operating results of the City of Cupertino lease are largely dependent on the level of operation, maintenance and capital costs incurred. In January 2000, San Jose Water Company completed its phase-in of its regular water service rates within the City of Cupertino. Further changes in water service rates will be subject to the approval of the Cupertino City Council.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT
MARKET RISK

SJW Corp. has no derivative financial instruments, financial instruments with significant off-balance sheet risks, or financial instruments with concentrations of credit risk. There is no material sensitivity to changes in market rates and prices.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Financial Statements:

Independent Auditors' Report

The Shareholders and Board of Directors
SJW Corp.

We have audited the accompanying consolidated balance sheets of SJW Corp. and subsidiaries (the Company) as of December 31, 2000 and 1999, and the related consolidated statements of income and comprehensive income, changes in shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2000. In connection with our audits of the consolidated financial statements, we also have audited the accompanying financial statement schedule. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of SJW Corp. and subsidiaries as of December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

KPMG LLP

Mountain View, California
January 22, 2001 except as to Note No. 10,
which is as of March 1, 2001

CONSOLIDATED BALANCE SHEETS
SJW CORP. AND SUBSIDIARIES
December 31, (in thousands, except share and per share data)

ASSETS	2000	1999
-----	-----	-----
Utility plant	\$455,051	424,421
Intangible assets	7,841	7,841
-----	-----	-----
	462,892	432,262
Less accumulated depreciation and amortization	139,396	129,828
-----	-----	-----
	323,496	302,434
-----	-----	-----
Nonutility property	9,979	10,133

Current assets:

Cash and equivalents	783	124
Accounts receivable:		
Customers	6,064	5,858
Other	361	215
Accrued utility revenue	6,700	6,507
Materials and supplies, at average cost	430	382
Prepaid expenses	914	714

	15,252	13,800

Other assets:		
Investment in California Water Service Group	29,699	33,342
Investment in joint venture	1,237	1,210
Unamortized debt issuance and reacquisition costs	3,719	3,880
Goodwill	1,829	1,914
Regulatory assets	5,256	5,177
Other	1,463	537

	43,203	46,060

	\$391,930	372,427
=====		

CONSOLIDATED BALANCE SHEETS (Continued)
SJW CORP. AND SUBSIDIARIES
December 31, (in thousands, except share and per share data)

CAPITALIZATION AND LIABILITIES

	2000	1999

CAPITALIZATION:		
Shareholders' equity:		
Common stock, \$3.125 par value; authorized 6,000,000 shares; issued 3,045,147 shares in 2000 and 1999	\$9,516	9,516
Additional paid-in capital	12,357	12,357
Retained earnings	116,232	113,058
Accumulated other comprehensive income	6,220	8,963

	144,325	143,894
Long-term debt	90,000	90,000

	234,325	233,894

CURRENT LIABILITIES:		
Line of credit	11,200	3,300
Accrued pump taxes and purchased water	4,629	3,072
Accounts payable	351	476
Accrued interest	2,789	2,751
Accrued taxes	266	3,849
Accrued employee compensation	3,024	620
Refund due to customers	1,072	-
Other current liabilities	3,411	2,774

	26,742	16,842

DEFERRED INCOME TAXES	22,563	25,947
UNAMORTIZED INVESTMENT TAX CREDITS	2,150	2,205
ADVANCES FOR CONSTRUCTION	54,260	50,076
CONTRIBUTIONS IN AID OF CONSTRUCTION	45,962	40,669
DEFERRED REVENUE	1,519	1,397
OTHER NONCURRENT LIABILITIES	4,409	1,397
COMMITMENTS		

	\$391,930	372,427
=====		

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
SJW CORP. AND SUBSIDIARIES
Years ended December 31,
(In thousands, except share and per share data)

	2000	1999	1998

OPERATING REVENUE	\$123,157	117,001	106,010
OPERATING EXPENSE:			
Operation:			

Purchased water	\$29,709	27,987	24,124
Power	4,121	3,756	3,259
Pump taxes	18,140	15,502	12,661
Other	23,038	20,431	17,410
Maintenance	6,881	6,638	6,909
Property taxes and other nonincome taxes	4,087	3,839	3,521
Depreciation and amortization	11,847	10,235	9,594
Income taxes	7,409	8,874	9,685
	105,232	97,262	87,163
OPERATING INCOME	17,925	19,739	18,847
OTHER (EXPENSE) INCOME:			
Interest on long-term debt	(6,434)	(6,552)	(5,629)
Merger related costs	(1,614)	(1,588)	-
Gain on sale of nonutility property, net	-	3,064	1,629
Dividends	1,210	1,193	1,177
Other	(422)	28	(6)
NET INCOME	\$10,665	15,884	16,018
OTHER COMPREHENSIVE INCOME:			
Unrealized gain (loss) on investment, net of taxes of \$1,493 in 2000, \$451 in 1999, and \$804 in 1998	(2,150)	(649)	1,155
Minimum pension liability, adjustment net of taxes of \$407	(593)	-	-
Other comprehensive income (loss), net	(2,743)	(649)	1,155
COMPREHENSIVE INCOME	\$7,922	15,235	17,173
BASIC EARNINGS PER SHARE	\$3.50	5.20	5.05
COMPREHENSIVE INCOME PER SHARE	\$2.60	4.99	5.42
WEIGHTED AVERAGE SHARES OUTSTANDING	3,045,147	3,054,980	3,169,839

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
SJW CORP. AND SUBSIDIARIES (in thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Com- prehensive Income	Total Share- holders' Equity
BALANCES, DECEMBER 31, 1997	\$9,907	19,235	95,954	8,457	133,553
Net income	-	-	16,018	-	16,018
Other comprehensive income - unrealized gain on investment, net of tax effect of \$804	-	-	-	1,155	1,155
Comprehensive income					17,173
Purchase and retirement of common stock	(8)	(150)	-	-	(158)
Dividends paid	-	-	(7,419)	-	(7,419)
BALANCES, DECEMBER 31, 1998	\$9,899	19,085	104,553	9,612	143,149
Net income	-	-	15,884	-	15,884
Other comprehensive loss - unrealized loss on investment, net of tax effect of \$451	-	-	-	(649)	(649)
Comprehensive Income					15,235
Purchase and retirement of common stock	(383)	(6,728)	-	-	(7,111)
Dividends paid	-	-	(7,379)	-	(7,379)

BALANCES,					
DECEMBER 31, 1999	\$9,516	12,357	113,058	8,963	143,894
Net income	-	-	10,665	-	10,665
Other comprehensive loss - unrealized loss on investment, net of tax effect of \$1,493	-	-	-	(2,150)	(2,150)
Minimum pension liability adjustment, net of tax effect of \$407	-	-	-	(593)	(593)
Comprehensive Income					7,922
Dividends paid	-	-	(7,491)	-	(7,491)

=====					
BALANCES,					
DECEMBER 31, 2000	\$9,516	12,357	116,232	6,220	144,325
=====					

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
SJW CORP. AND SUBSIDIARIES

Years ended December 31, (in thousands)	2000	1999	1998

OPERATING ACTIVITIES:			
Net income	\$10,665	15,884	16,018
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	11,847	10,235	9,594
Deferred income taxes and credits	(1,538)	813	1,648
Gain on sale of nonutility property, net	-	(3,064)	(1,629)
Changes in operating assets and liabilities:			
Accounts receivable and accrued utility revenue	(545)	(670)	(1,115)
Accounts payable and other current liabilities	512	(2,008)	1,628
Accrued employee compensation	2,404	620	-
Refund due to customers	1,072	-	-
Accrued pump taxes and purchased water	1,557	649	351
Accrued taxes	(3,583)	389	772
Other changes, net	1,643	732	(333)

NET CASH PROVIDED BY OPERATING ACTIVITIES	24,034	23,580	26,934

INVESTING ACTIVITIES:			
Additions to utility plant	(33,671)	(32,294)	(34,356)
Cost to retire utility plant, net of salvage	(678)	(1,233)	(485)
Additions to nonutility property	(94)	(68)	(4,360)
Proceeds from sale of nonutility property	-	5,230	3,073

NET CASH USED IN INVESTING ACTIVITIES	(34,443)	(28,365)	(36,128)

FINANCING ACTIVITIES:			
Dividends paid	(7,491)	(7,379)	(7,419)
Repayment of line of credit	(11,500)	(4,500)	(12,900)
Borrowings from line of credit	19,400	7,800	12,900
Advances and contributions in aid of construction	12,276	9,655	7,477
Refunds of advances	(1,617)	(1,622)	(1,472)
Proceeds from issuance of long-term debt	-	-	15,000
Purchase and retirement of common stock	-	(7,111)	(158)

NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	11,068	(3,157)	13,428

NET CHANGE IN CASH AND EQUIVALENTS	659	(7,942)	4,234
CASH AND EQUIVALENTS, BEGINNING OF YEAR	124	8,066	3,832

CASH AND EQUIVALENTS, END OF YEAR \$783 124 8,066

=====

Cash paid during the year for:
Interest \$ 7,413 7,099 6,005
Income taxes \$12,838 8,027 8,238

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2000, 1999, and 1998.

(Dollars in thousands, except share data)

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements include the accounts of SJW Corp. and its wholly owned subsidiaries. Intercompany transactions and balances have been eliminated. SJW Corp.'s principal subsidiary, San Jose Water Company, is a regulated California water utility providing water service to the greater metropolitan San Jose area. San Jose Water Company's accounting policies comply with the applicable uniform system of accounts prescribed by the California Public Utilities Commission (CPUC) and conform to generally accepted accounting principles for rate-regulated public utilities. More than 90% of San Jose Water Company's revenue is derived from the sale of water to residential and business customers.

SJW Land Company owns and operates a 900-space surface parking facility adjacent to the San Jose Arena, commercial properties in San Jose, a 70% limited partnership interest in 444 West Santa Clara Street, L.P., and several undeveloped real estate parcels in San Jose.

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Utility Plant

The cost of additions, replacements and betterments to utility plant is capitalized. The amount of interest capitalized in 2000, 1999, and 1998 was \$532, \$414, and \$378, respectively. Construction in progress was \$5,921, \$3,602, and \$4,631 at December 31, 2000, 1999, and 1998, respectively.

Depreciation is computed using the straight-line method over the estimated service lives of the assets, ranging from 5 to 75 years. The cost of utility plant retired, including retirement costs (less salvage), is charged to accumulated depreciation and no gain or loss is recognized.

Rate-regulated enterprises are required to charge a regulatory asset to earnings if and when that asset no longer meets the criteria for being recorded as a regulatory asset. In 2000, San Jose Water Company included in its operating expense a regulatory adjustment of \$621 of previously capitalized interest on utility plant under construction which was disallowed by the CPUC.

Intangible Assets

Intangible assets consist of leasehold acquisition costs for the City of Cupertino municipal water system and other intangibles associated with the operation of San Jose Water Company. All intangible assets are recorded at cost and are amortized using the straight-line method over the legal or estimated economic life of the asset, whichever is shorter, not to exceed 40 years.

Nonutility Property

Nonutility property is recorded at cost and consists primarily of land, buildings and parking facilities. Depreciation is computed using accelerated depreciation methods over the estimated useful

lives of the assets, ranging from 5 to 39 years.

Cash and Equivalents

- - - - -

Cash and equivalents include certain highly liquid investments with remaining maturities of three months or less when purchased. Cash equivalents are stated at cost plus accrued interest, which approximates fair value.

Financial Instruments

- - - - -

The carrying amount of SJW Corp.'s current assets and liabilities that are considered financial instruments approximates their fair value as of dates presented due to the short maturity of these instruments.

Investment in California Water Service Group

- - - - -

SJW Corp.'s investment in California Water Service Group is reported at quoted market price, with the unrealized gain or loss reported as other comprehensive income.

Comprehensive Income

- - - - -

The accumulated balance of other comprehensive income is reported in the equity section of the financial statements and includes the unrealized gain or loss on the California Water Service Group investment, and an additional minimum pension liability adjustment.

Other Assets

- - - - -

Debt reacquisition costs are amortized over the term of the new debt. Debt issuance costs are amortized over the life of each issue. The excess cost over fair market value of net assets acquired is recorded as goodwill and amortized over the periods estimated to be benefited, not exceeding 40 years. Management periodically evaluates the recoverability of goodwill by assessing whether the amortization of the balance over the remaining life can be recovered through expected and undiscounted future cash flows to determine if an impairment has occurred.

Income Taxes

- - - - -

Income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the effect of temporary differences between financial and tax reporting. Deferred tax assets and liabilities are measured using enacted tax rates applicable to future years.

To the extent that the tax benefits of the temporary differences have previously been passed through to customers through lower water rates, management anticipates that the payment of the future tax liabilities resulting from the reversal of the temporary differences will be recoverable through rates. Therefore, a regulatory asset has been recorded for the portion of net deferred tax liabilities which are expected to be recovered through future rates. Although realization is not assured, management believes it is more likely than not that all of the regulatory asset will be realized.

To the extent permitted by the CPUC, investment tax credits resulting from utility plant additions are deferred and amortized over the estimated useful lives of the related property.

Advances for Construction and Contributions in Aid of Construction

- - - - -

Advances for construction received after 1981 are being refunded ratably over 40 years. Prior customer advances are refunded based on 22% of related revenues. Estimated refunds for 2001 are \$1,690.

Contributions in aid of construction represent funds received from developers that are not refundable under CPUC regulations. Depreciation applicable to utility plant constructed with these contributions is charged to contributions in aid of construction.

Customer advances and contributions in aid of construction received subsequent to 1986 and prior to June 12, 1996 generally must be included in federal taxable income. Taxes paid relating

to advances and contributions are recorded as deferred tax assets for financial reporting purposes and are amortized over 40 years for advances, and over the tax depreciable life of the related asset for contributions. Receipts subsequent to June 12, 1996 are generally exempt from federal taxable income.

Advances and contributions received subsequent to 1991 and prior to 1997 are included in state taxable income.

Revenue

Revenue of San Jose Water Company includes amounts billed to customers and unbilled amounts based on estimated usage from the latest meter reading to the end of the year. 2000, 1999 and 1998 operating revenue include \$2,706, \$2,392 and \$2,078, respectively, from the lease operation of the City of Cupertino. 2000 revenue also included a provision of \$1,072 for a refund due to customers. The refund reflected a regulatory adjustment on previously capitalized interest on utility plant under construction that was disallowed by the CPUC.

Earnings Per Share

Basic earnings per share and comprehensive income per share are calculated using income available to common shareholders and comprehensive income, respectively, divided by the weighted average number of shares outstanding during the year. SJW Corp. has no dilutive securities, and accordingly, diluted earnings per share is not shown.

Business Segment Information

SJW Corp. and its subsidiaries operate predominantly in one reportable business segment of providing water utility service to its customers. Nonutility revenue, assets and net income do not have a material effect on SJW Corp.'s financial condition and results of operations.

NOTE 2

CAPITALIZATION

At December 31, 2000 and 1999, 176,407 shares of \$25 par value preferred stock were authorized and unissued.

In 1999 and 1998, SJW Corp. repurchased 122,400 and 2,800 shares, respectively, of its outstanding common stock at the prevailing market price in the open market at an aggregate cost of \$7,111 and \$158, respectively. All repurchased shares have been canceled and are considered authorized and unissued.

NOTE 3

LINE OF CREDIT

SJW Corp. and its subsidiaries have available an unsecured bank line of credit, allowing aggregate short-term borrowings of up to \$40,000. This line of credit bears interest at variable rates and expires on May 31, 2001. The following table represents borrowings under these bank lines of credits:

	2000	1999	1998
Maximum short term borrowing	\$11,200	3,400	4,700
Average amount outstanding	5,847	2,708	947
Weighted average interest rate	7.6%	6.1%	6.4%
Interest rate at December 31	7.4%	7.1%	-

NOTE 4

GAIN ON SALE OF NONUTILITY PROPERTY

In December 1999, SJW Land Company sold nonutility property to a company partially owned by a director of SJW Corp., receiving consideration of \$5,250 in cash. The transaction resulted in a gain of \$3,064, net of income tax expense of \$2,107. The transaction was negotiated at arms length supported by independent appraisals.

In June 1998, SJW Corp. recognized a gain of \$1,629, net of

income taxes of \$1,132, from the sale of nonutility property, receiving as consideration a nonutility investment property with a fair value of \$3,595.

NOTE 5

LONG-TERM DEBT

Long-term debt as of December 31 was as follows:

Description	Due Date	2000	1999

Senior notes:			
A 8.58%	2022	\$20,000	20,000
B 7.37%	2024	30,000	30,000
C 9.45%	2020	10,000	10,000
D 7.15%	2026	15,000	15,000
E 6.81%	2028	15,000	15,000

Total long-term debt		\$90,000	90,000
=====			

Senior notes held by institutional investors are unsecured obligations of San Jose Water Company and require interest-only payments until maturity. To minimize issuance costs, all of the company's debt has historically been privately placed. The fair value of long-term debt as of December 31, 2000 and 1999 was approximately \$115,298 and \$100,707, respectively, based on the amount of essentially risk-free assets that would have to be placed in trust to extinguish these obligations.

NOTE 6

INCOME TAXES

The following table reconciles income tax expense to the amount computed by applying the federal statutory rate of 35% to income before income taxes:

	2000	1999	1998

"Expected" federal income tax	\$6,326	9,402	9,392
Increase (decrease) in taxes attributable to:			
Utility plant basis	(69)	(6)	224
State taxes, net of federal income tax benefit	1,039	1,544	1,542
Dividend received deduction	(296)	(292)	(288)
Other items, net	409	333	(53)

	\$7,409	10,981	10,817
=====			

The components of income tax expense were:

	2000	1999	1998

Current:			
Federal	\$7,070	7,931	6,611
State	2,131	2,417	2,124
Deferred:			
Federal	(1,264)	686	1,885
State	(528)	(53)	197

	\$7,409	10,981	10,817
=====			
Income taxes included in operating expense	\$7,409	8,874	9,685
Income taxes included in gain on sale of nonutility property	-	2,107	1,132

	\$7,409	10,981	10,817
=====			

The components of the net deferred tax liability as of December 31 were as follows:

	2000	1999

Deferred tax assets:		
Advances and contributions	\$14,429	13,994
Unamortized investment tax credit	1,157	1,187
Pensions and postretirement benefits	993	154
California franchise tax	792	766
Other	2,207	595

Total deferred tax assets	19,578	16,696

Deferred tax liabilities:		
Utility plant	28,819	27,827
Investment	9,922	11,415
Debt reacquisition costs	1,140	1,190
Other	2,260	2,211

Total deferred tax liabilities	42,141	42,643
Net deferred tax liabilities	\$22,563	25,947
=====		

Based upon the level of historical taxable income and projections for future taxable income over the periods which the deferred tax assets are deductible, management believes it is more likely than not SJW Corp. will realize the benefits of these deductible differences.

NOTE 7

COMMITMENTS

San Jose Water Company purchases water from Santa Clara Valley Water District (SCVWD). Delivery schedules for purchased water are based on a contract year beginning July 1, and are negotiated every three years under terms of a master contract with SCVWD expiring in 2051. Based on current prices and estimated deliveries, San Jose Water Company expects to purchase a minimum of 90% of the delivery schedule, or 19,400 million gallons (\$22,600) of water, from SCVWD in the contract year ending June 30, 2001.

In 1997, San Jose Water Company entered into a 25-year lease agreement with the City of Cupertino to operate the City's municipal water system. Under the terms of the lease agreement, San Jose Water Company assumed responsibility for all maintenance, operating and capital costs, while receiving all payments for water service. Water service rates are subject to approval by the Cupertino City Council.

NOTE 8

JOINT VENTURE

In September, 1999, SJW Land Company formed 444 West Santa Clara Street, L.P., a limited partnership, with a real estate development firm whereby SJW Land contributed real property in exchange for a 70% limited partnership interest. The real estate development firm is partially owned by an individual who also serves as a director of SJW Corp. A commercial building is constructed on the partnership property and is leased to an international real estate firm under a twelve-year long-term lease. The partnership is being accounted for under the equity method of accounting. Included in the consolidated statements of income and comprehensive income is SJW Land's share of the partnership earnings of \$96 in 2000.

NOTE 9

EMPLOYEE BENEFIT PLANS

Pension Plans

San Jose Water Company sponsors noncontributory defined benefit pension plans. Benefits under the plans are based on an employee's years of service and highest consecutive three years of compensation. Company policy is to contribute the net periodic pension cost to the extent it is tax deductible.

San Jose Water Company has a Supplemental Executive Retirement Plan, which is a defined benefit plan under which the company will pay supplemental pension benefits to key executives in addition to the amounts received under the retirement plan. The annual cost of this plan has been included in the determination of the net periodic benefit cost shown below. The plan, which is unfunded, had a projected benefit obligation of \$9,651, \$2,120, \$1,721 and as of December 31, 2000, 1999 and 1998, respectively, and net periodic pension cost of \$1,818, \$290 and \$196, for 2000, 1999 and 1998, respectively.

Deferral Plan

San Jose Water Company sponsors a salary deferral plan that allows employees to defer and contribute a portion of their earnings to the plan. Contributions, not to exceed set limits, are matched by the company. Company contributions were \$607, \$596 and \$433, in 2000, 1999 and 1998, respectively.

Other Postretirement Benefits

In addition to providing pension and savings benefits, San Jose Water Company provides health care and life insurance benefits for retired employees. The plan is a flat dollar plan which is unaffected by variations in health care costs.

Net periodic cost for the defined benefit plans and other postretirement benefits was:

	PENSION BENEFITS			OTHER BENEFITS		
	2000	1999	1998	2000	1999	1998
Weighted-Average Assumptions as of Dec. 31	%	%	%	%	%	%
Discount rate	7.75	8.00	6.75	7.75	8.00	6.75
Expected return on plan assets	8.00	8.00	8.00	8.00	8.00	8.00
Rate of compensation increase	4.00	4.00	4.00	n.a.	n.a.	n.a.
Components of Net Periodic Benefit Cost						
Service cost	\$ 950	1,105	875	\$ 38	46	36
Interest cost	\$2,591	1,966	1,731	114	103	91
Expected return on assets	(2,834)	(2,584)	(2,386)	(31)	(27)	(25)
Amortization of transition obligation	3	3	3	56	56	56
Amortization of prior service cost	258	219	190	16	16	-
Recognized actuarial gain	244	(188)	(274)	(13)	(3)	(9)
Net periodic benefit cost	\$1,212	521	139	\$180	191	149

The actuarial present value of benefit obligations and the funded status of San Jose Water Company's defined benefit pension and other postretirement plans as of December 31 were as follows:

	PENSION BENEFITS			OTHER BENEFITS		
	2000	1999	1998	2000	1999	1998
Change in Benefit Obligation						
Benefit obligation at beginning of year	\$26,749	27,912	25,625	\$1,258	1,536	1,437
Service cost	950	1,105	875	38	46	36
Interest cost	2,591	1,966	1,731	114	103	91
Amendments	-	629	863	-	-	101
Actuarial (gain) loss	7,943	(3,553)	56	258	(335)	(50)
Benefits paid	(1,848)	(1,310)	(1,238)	(99)	(92)	(79)
Benefit obligation at end of year	\$36,385	26,749	27,912	\$1,569	1,258	1,536
Change in Plan Assets						
Fair value of assets at beginning of year	\$36,088	32,880	30,336	\$439	391	350
Actual return on						

plan assets	3,016	3,378	3,618	22	18	16
Employer contributions	166	1,140	-	101	108	92
Benefits paid	(1,848)	(1,310)	(1,074)	(79)	(78)	(67)

Fair value of assets at end of year	\$37,422	36,088	32,880	\$ 483	439	391
-------------------------------------	----------	--------	--------	--------	-----	-----

Funded Status

Plan assets less benefit obligation	\$1,038	9,339	4,968	\$(1,086)	(819)	(1,145)
Unrecognized transition obligation	209	212	215	622	679	735
Unamortized prior service cost	2,370	2,628	2,219	70	86	101
Unrecognized actuarial gain	(4,078)	(11,595)	(7,436)	(235)	(583)	(246)
Prepaid (accrued) benefit cost	\$(461)	584	(34)	\$(629)	(637)	(555)

NOTE 10

The Merger

On October 28, 1999, SJW Corp. and American Water Works Company, Inc. (American Water) entered into an Agreement and Plan of Merger (Merger Agreement). SJW Corp. and American Water filed a joint application with the CPUC requesting its approval to complete the transaction.

On February 20, 2000, the CPUC issued a revised schedule for consideration of the proposed merger that would allow for a decision in September 2001. Following the ruling setting forth the new schedule, American Water announced that it would terminate the Merger Agreement on April 28, 2001, the date after which either party has the right to terminate the Merger Agreement, because of regulatory uncertainties and delays, and offered to consent to mutual termination of the agreement. On March 1, 2001, SJW Corp's Board of Directors decided that it would be in the best interest of the company to terminate the Merger Agreement, and accepted American Water's offer for mutual termination.

NOTE 11

UNAUDITED QUARTERLY FINANCIAL DATA

Summarized quarterly financial data is as follows:

	2000 Quarter ended			
	March	June	September	December
Operating revenue	\$23,537	33,064	39,181	27,375
Operating income	2,981	5,632	6,448	2,864
Net income	1,327	2,722	4,960	1,656
Comprehensive income (loss)	(3,540)	3,655	6,582	1,225
Basic earnings per share	0.44	0.89	1.63	0.54
Comprehensive income (loss) per share	(1.16)	1.20	2.16	0.40
Market price range of stock:				
High	119.75	119.38	121.94	119.81
Low	108.00	113.00	117.25	95.00
Dividends per share	.615	.615	.615	.615
	1999 Quarter ended			
	March	June	September	December
Operating revenue	\$21,067	30,188	37,661	28,085
Operating income	3,158	5,548	6,790	4,243
Net income	1,781	4,075	5,409	4,619
Comprehensive income (loss)	(2,640)	5,130	6,220	6,525
Basic earnings per share	0.58	1.34	1.78	1.52
Comprehensive income (loss) per share	(0.86)	1.68	2.04	2.14

Market price range of stock:				
High	65.00	81.50	93.50	121.00
Low	57.25	60.38	75.50	87.75
Dividends per share	.60	.60	.60	.60

FINANCIAL STATEMENT SCHEDULE
 SJW CORP.

Schedule II

VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
 YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998

Description	2000	1999	1998

Allowance for doubtful accounts			
Balance, beginning of period	\$100,000	100,000	100,000
Charged to expense	180,480	120,145	131,464
Accounts written off	(215,570)	(155,022)	(169,646)
Recoveries of accounts written off	35,090	34,877	38,182

Balance, end of period	\$100,000	100,000	100,000
=====			
Reserve for self insurance			
Balance, beginning of period	\$707,025	707,100	589,702
Charged to expense	80,000	320,000	240,000
Payments	(125,778)	(320,075)	(122,602)

Balance, end of period	\$661,247	707,025	707,100
=====			

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON
 ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS

Directors of the Registrant

A brief biography of each director (including the director's business experience during the past 5 years) is set forth below. All directors are also directors of San Jose Water Company and of SJW Land Company.

Mark L. Cali, Attorney at Law, with the firm Clark, Cali and Negranti, LLP since December 1996. Formerly, he was with the firm Bledsoe, Cathcart, Diestel, Livingston, and Pedersen from October 1994 through November 1996 and with Jencks & Hunt from May 1994 through October 1994. Mr. Cali, age 35, has served as a director of SJW Corp., San Jose Water Company and SJW Land Company since 1992.

J. Philip DiNapoli, Attorney at Law, Chairman of Comerica California Inc. (California bank holding company). He serves as a director of Comerica, Inc. (bank holding company) and Comerica Bank-California (bank). He served as Chairman of Citation Insurance Company (Workers Compensation specialty carrier) until November 20, 1996. He is also the owner of DiNapoli Development Company (real estate development company). Mr. DiNapoli, age 61, is a member of the Audit Committee and has served as a director of SJW Corp., San Jose Water Company and SJW Land Company since 1989.

Drew Gibson, Principal of Gibson Speno LLC (real estate development and investment company) and Chairman of the Board of the Gibson Speno Management Company (real estate management company). He has served as a director of Comerica Bank-California (California bank holding company) and is currently a Director of Celluphone, Inc. (Los Angeles based cellular agent). Mr. Gibson, age 58, is a member of the Audit and Executive Compensation Committees and has served as a director of SJW Corp., San Jose Water Company and SJW Land Company since 1986.

Ronald R. James, President Emeritus of the San Jose Chamber of Commerce (business promotion organization), formerly President and Chief Executive Officer of the Chamber. Mr. James, age 72, is a member of the Audit and Executive Compensation Committees and has served as a director of San Jose Water Company since

1974, and of SJW Corp. and SJW Land Company since 1985.

George E. Moss, Vice Chairman of the Board of Roscoe Moss Manufacturing Company (manufacturer of steel water pipe and well casing). Mr. Moss was formerly President of the Roscoe Moss Company (holding company). Mr. Moss, age 69, is a member of the Executive Compensation Committee and has served as a director of San Jose Water Company since 1984, and of SJW Corp. and SJW Land Company since 1985.

Roscoe Moss, Jr., Chairman of the Board of Roscoe Moss Manufacturing Company (manufacturer of steel water pipe and well casing). Mr. Moss was formerly Chairman of the Board of Roscoe Moss Company (holding company). Mr. Moss, age 71, is a member of the Executive and Executive Compensation Committees and has served as a director of San Jose Water Company since 1980, and of SJW Corp. and SJW Land Company since 1985.

W.R. Roth, President and Chief Executive Officer of SJW Corp. Prior to becoming Chief Executive Officer in 1999, he was President since October 1996, Vice President from April 1992 until October 1996 and Chief Financial Officer and Treasurer of SJW Corp. from January 1990 until October 1996. He has been President of San Jose Water Company since October 1994. He has been Chief Executive Officer since October 1996. Prior to that he was Chief Operating Officer from October 1994 until October 1996. He was Senior Vice President of San Jose Water Company from July 1994 until October 1994. Mr. Roth, age 48, has served as a director of SJW Corp., San Jose Water Company and SJW Land Company since 1994. Mr. Roth has been with San Jose Water Company since 1990.

Charles J. Toeniskoetter, President of Toeniskoetter & Breeding, Inc. (construction and real estate development company). He also serves as a director of Redwood Trust, Inc. (real estate investment trust). Mr. Toeniskoetter, age 56, serves as a member of the Audit Committee and has served as a director of SJW Corp., San Jose Water Company and SJW Land Company since 1991.

J.W. Weinhardt, Chairman of SJW Corp. Prior to becoming Chairman in October 1996 he was President and Chairman of the Board of San Jose Water Company. Prior to his election as Chairman of the Board in October 1994, he was President of the San Jose Water Company. He also served as Chief Executive Officer of the San Jose Water Company until October 1996. Mr. Weinhardt, age 70, is a member of the Executive Committee and has served as a director of San Jose Water Company since 1975, and of SJW Corp. and SJW Land Company since 1985. Mr. Weinhardt has been with San Jose Water Company since 1963.

Directors Roscoe Moss, Jr. and George Moss are brothers. Other than the family relationship described in the preceding sentence, no director has any family relationship with any other director or with any executive officer.

No director has been employed in his principal occupation or employment during the past 5 years by a corporation or other organization that is a parent, subsidiary or other affiliate of SJW Corp., other than Mr. Weinhardt and Mr. Roth whose employment relationship with San Jose Water Company is described above.

Executive Officers of the Registrant

Name	Age	Offices and Experience
J.W. Weinhardt	70	SJW Corp. - Chairman of the Board. See description at "Directors of the Registrant".
W.R. Roth	48	SJW Corp. - President and Chief Executive Officer of SJW Corp. since October 1999. See description at "Directors of the Registrant".
R.J. Balocco	51	San Jose Water Company - Vice President - Corporate Communications since October 1995. He was Vice President, Administration from April 1992 until October 1995. Mr. Balocco has been with San Jose Water Company since

1982.

- G.J. Belhumeur 55 San Jose Water Company - Vice President - Operations since April 1996. Prior to April 1996 he was Operations & Maintenance Manager. Mr. Belhumeur has been with San Jose Water Company since 1970.
- D. Drysdale 45 San Jose Water Company - Vice President - Information Services since January 1999. Prior to that, he was Director of Information Services from March 1998 to January 1999. Prior to March 1998 he was Data Processing Manager since 1994. Mr. Drysdale joined San Jose Water Company in 1992.
- J. Johansson 55 San Jose Water Company - Vice President - Human Resources since January 1999. Prior to that, he was Director of Human Resources from March 1998 to January 1999. Prior to March 1998 he was Personnel Manager. Mr. Johansson has been with San Jose Water Company since 1976.
- R.J. Pardini 55 San Jose Water Company - Vice President - Chief Engineer since April 1996. Prior to April 1996 he was Chief Engineer. Mr. Pardini has been with San Jose Water Company since 1987.
- A. Yip 47 SJW Corp., Chief Financial Officer and Treasurer since October 1996.
- San Jose Water Company - Vice President - Finance since January 1999, Chief Financial Officer and Treasurer since October 1994. Ms. Yip has been with the San Jose Water Company since 1986.
- R.S. Yoo 50 San Jose Water Company - Vice President - Water Quality since April 1996. Prior to April 1996 he was Water Quality Manager. He has been with San Jose Water Company since 1985.
- R.A. Loehr 54 SJW Corp. and San Jose Water Company, Secretary since March 1, 1998. Mr. Loehr also serves as an attorney and has been with San Jose Water Company since 1987.
- A.J. Elliott 37 San Jose Water Company, Controller since January 1995. Ms. Elliott has been with San Jose Water Company since 1990.

No executive officer has any family relationship to any other executive officer or director. No executive officer is appointed for any set term. Officers of SJW Corp. serve at the discretion of the Board of Directors and there are no agreements or understandings between any executive officer and any other person pursuant to which he was selected as an officer.

Item 11. EXECUTIVE COMPENSATION

The following table contains certain summary information regarding the cash compensation, paid by SJW Corp. and its subsidiaries for each of its last three completed fiscal years, to the Chief Executive Officer and to the four other executive officers whose total annual salary and bonus exceeded \$100,000.

Name and Principal Position	Annual Compensation		Long Term Compensation(1)			
	Year	Salary Bonus	Other Annual Com-pensa-tion	Awards Restricted Stock Award(s)	Payouts LTIP Pay-outs	All Other Com-pensa-tion
W.R. Roth President and	2000	\$395,000				17,569(2)

CEO of SJW Corp.,	1999	\$347,596		19,900(2)
San Jose Water Company and SJW Land Company	1998	\$324,038		7,800(2)
G.J. Belhumeur Vice-President	2000	\$170,500		6,800(3)
	1999	\$158,557		6,342(3)
	1998	\$148,558		4,289(3)
R.J. Pardini Vice-President	2000	\$160,500		6,420(3)
	1999	\$148,558		5,942(3)
	1998	\$138,577		4,002(3)
R.S. Yoo Vice-President	2000	\$160,500		6,420(3)
	1999	\$148,077		5,923(3)
	1998	\$133,654		3,860(3)
R.J. Balocco Vice-President	2000	\$159,450		6,131(3)
	1999	\$148,558		5,942(3)
	1998	\$138,173		4,145(3)

(1) Long Term Compensation Award or Payout Plans are not provided to employees of SJW Corp. or its subsidiaries.

(2) Represents matching contributions paid by the San Jose Water Company to Mr. Roth under its Salary Deferral Plan of \$4,800 in 1998, \$6,400 in 1999 and \$6,569 in 2000. The balances are amounts received for Directors fees.

(3) Represents matching contributions paid by the San Jose Water Company under its Salary Deferral Plan.

The foregoing table does not include benefits provided under San Jose Water Company's Retirement Plan (the "Retirement Plan"), Supplemental Executive Retirement Plan (SERP), or Executive Severance Plan.

All employees of San Jose Water Company participate in the Retirement Plan. Although subject to adjustment to comply with Internal Revenue Code requirements, the regular benefit formula of the plan provides for a monthly retirement benefit equal to 1.6% of the employee's average monthly compensation for each year of credited service. Compensation means the employee's regular salary prior to reduction under the Deferral Plan. The plan also contains a minimum benefit formula which, although also subject to adjustment, provides for a monthly retirement benefit equal to up to 55% of the employee's average compensation for the highest 36 consecutive months of compensation, less 50% of primary social security benefits. This minimum monthly benefit is reduced by 1/30th for each year of credited service less than 30 years. Benefits vest after 5 years of service or at age 65 and there are provisions for early retirement.

In 1992 the Board of Directors of San Jose Water Company adopted a nonqualified, unfunded Supplemental Executive Retirement Plan (SERP) for certain executives and officers of the San Jose Water Company. It is intended that the SERP in combination with the Retirement Plan will provide the covered executives and officers with a total retirement benefit commensurate with executives and officers of other comparable private water utilities. A minimum of ten years of service is required for vesting in the SERP. The amounts contributed to the Retirement Plan by San Jose Water Company to fund retirement benefits with respect to any individual employee cannot be readily ascertained. The following table sets forth combined estimated retirement benefits, payable as a straight life annuity, assuming retirement at age 65 using the minimum benefit formula and the SERP:

PENSION PLAN TABLE

Years of Service

Average

Compensation 15 Years 20 Years 25 Years 30 Years 35 Years

\$150,000	\$ 49,500	\$ 66,000	\$ 78,000	\$ 90,000	\$ 90,000
175,000	57,750	77,000	91,000	105,000	105,000

200,000	66,000	88,000	104,000	120,000	120,000
225,000	74,250	99,000	117,000	135,000	135,000
250,000	82,500	110,000	130,000	150,000	150,000
275,000	90,750	121,000	143,000	165,000	165,000
300,000(1)	165,000	165,000	165,000	180,000	180,000
325,000(1)	178,750	178,750	178,750	195,000	195,000
350,000(1)	192,500	192,500	192,500	210,000	210,000
375,000(1)	206,250	206,250	206,250	225,000	225,000
400,000(1)	220,000	220,000	220,000	240,000	240,000
425,000(1)	233,750	233,750	233,750	255,000	255,000

Note (1) describes the annual benefit payable to Mr. Roth only beginning at the later of age 55 or retirement.

Annual retirement benefits payable commencing at age 65 under the SERP shall be equal to the following: two and two-tenths percent (2.2%) of the final average compensation of such officer, which is the highest consecutive thirty-six months average compensation, multiplied by the officer's years of service (not to exceed twenty (20) years) plus one and six-tenth percent (1.6%) of the final average compensation of an officer multiplied by the officer's years of service in excess of 20 years (not to exceed an additional ten (10) years) up to a total not to exceed sixty percent(60%) of final average compensation; less benefits payable to the officer from the Retirement Plan. Mr. Roth alone is entitled to a Retirement Benefit at the later of his attainment of fifty-five (55) years of age or his actual retirement in an amount equal to the greater of (i) the benefit to which he would otherwise be entitled under the SERP or (ii) fifty-five percent (55%) of the final average compensation less benefits payable to him from the Retirement Plan.

The number of years of credited service and covered compensation at December 31, 2000 is for Mr. Roth, 11 years, \$395,000; Mr. Belhumeur, 30 years, \$170,500; Mr. Pardini, 13 years, \$160,500; Mr. Yoo, 15 years, \$160,500 and Mr. Balocco, 18 years, \$159,450. No additional benefits are accrued at the present time.

Under the SJW Corp. Executive Severance Plan and the SERP (collectively, "Plans"), a Change in Control shall affect any officer of SJW Corp., San Jose Water Company or SJW Land Company who has been elected as such by the Board of Directors of such company and is serving as such upon a Change in Control. In the event of a Change in Control under the Plans, if such officers' employment is terminated within two years of such Change in Control by the employer for any reason other than Good Cause (as defined in such Plans) or by such officers for Good Reason (as defined in such Plans) or, with respect to Mr. Roth, any voluntary termination by Mr. Roth during the sixty (60) day period beginning on the one year anniversary of a Change in Control, such officers (i) will be entitled, among other things, to benefits consisting of three years' annual base salary and (ii) shall be deemed to be three (3) years of age older at the time of retirement and be given three (3) additional Years of Service (as defined in the SERP) for consideration of Retirement Benefits (as defined in the SERP) (in the case of Mr. Roth, Mr. Roth will be entitled to a minimum Retirement Benefit). Under the Executive Severance Plan, such officers and their eligible dependents would also be entitled to continued medical, dental, vision and life insurance coverage pursuant to COBRA for up to three years.

If any payment made in connection with the termination of the employment would be subject to excise tax under Section 4999 of the Code (the "Excise Tax"), then the aggregate present value measured at the date of the payments and benefits to which the officer is entitled shall be limited as specified in the Executive Severance Plan (except in the case of Mr. Roth for whom if any payment made in connection with benefits under the Executive Severance Plan is subject to Excise Tax or constitutes an excess parachute payment under Section 280G of the Code, then such payment will be grossed up to ensure that Mr. Roth does not incur any out-of-pocket cost with respect to such Excise Tax or that Mr. Roth receives the same net after-tax benefit he would have received if such Section 280G had not been applicable).

SJW Corp., San Jose Water Company and SJW Land Company pay their non-employee directors annual retainers of \$6,000, \$16,000 and \$5,000 respectively. In addition, all directors of SJW Corp. and San Jose Water Company are paid \$1,000 for each Board or

committee meeting attended. SJW Land Company directors are paid \$500 for each Board meeting attended.

Upon ceasing to serve as a director of SJW Corp., San Jose Water Company and SJW Land Company, as the case may be, directors or their estate are currently entitled to receive from the respective corporation a benefit equal to the annual retainer paid to its directors. This benefit will be paid for the number of years the director served on the board up to a maximum of 10 years.

The Board of Directors has an Executive Committee, an Executive Compensation Committee and an Audit Committee. During 2000, there were 4 regular meetings of the Board of Directors, 3 regular meetings of the Audit Committee and 1 meeting of the Executive Compensation Committee. The Executive Compensation Committee reviews and recommends to the Board of Directors compensation for executive officers of SJW Corp. There is no standing nominating committee. All directors attended 100% of all Board and applicable committee meetings, except that Roscoe Moss, Jr. missed one set of Board meetings, J. Philip DiNapoli missed two sets of Board meetings and Drew Gibson missed one Audit Committee meeting.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

No member of the Executive Compensation Committee was at any time during the 2000 fiscal year or at any other time an officer or employee of SJW Corp. or any of its subsidiaries. No executive officer of SJW Corp. serves as a member of the Board of Directors or Executive Compensation Committee of any entity that has one or more executive officers serving as a member of SJW Corp.'s board of directors or compensation committee. The following non-employee directors served on the Executive Compensation Committee during fiscal 2000: Drew Gibson, Ronald R. James, Roscoe Moss, Jr. and George E. Moss.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of December 31, 2000, certain information concerning ownership of shares of SJW Corp. Common Stock by each director of SJW Corp., each of the Chief Executive Officer and the four most highly compensated executive officers of SJW Corp. for the year ended December 31, 2000 and all directors and executive officers of SJW Corp. as a group. Unless otherwise indicated, the beneficial ownership consists of sole voting and investment power with respect to the shares indicated, except to the extent that authority is shared by spouses under applicable law.

NAME	Shares Beneficially	
	Owned Directly or Indirectly	Percent of Class

Directors:		
Mark L. Cali	4,321	*
J. Philip DiNapoli	600	*
Drew Gibson	1,000	*
Ronald R. James	200	*
George E. Moss (1)(2)	497,812	16.3%
Roscoe Moss, Jr.(2)	523,878	17.2%
W.R. Roth	6,350	*
Charles J. Toeniskoetter	300	*
J.W. Weinhardt	7,250	*
Officers:		
G.J. Belhumeur	918	*
R.J. Balocco	762	*
R.J. Pardini	514	*
All directors and executive officers as a group (18 individuals)	1,044,755	34.3%

(1) Includes 119,139 shares held by the John Kimberly Moss Trust for which Mr. George Moss is trustee or co-trustee, and (2) the address for George Moss and Roscoe Moss, Jr. is 4360 Worth Street, Los Angeles, CA 90063. Information with respect to beneficial ownership is based upon reports furnished by the officers and directors.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Mr. Charles J. Toeniskoetter, President and Chief Executive Officer of Toeniskoetter and Breeding, Inc., serves as a member of the Audit Committee and has served as a director of SJW Corp., San Jose Water Company and SJW Land Company since 1991. Mr. Toeniskoetter has an ownership interest in excess of 10% of Toeniskoetter and Breeding, Inc., a construction and real estate development company. In 1999, SJW Land Company and Toeniskoetter & Breeding, Inc. formed a limited partnership whose sole purpose is to construct and manage a new office building at 450 West Santa Clara Street in San Jose, California. The building, which consists of 22,080 square feet of office space, was completed in June 2000 and was subsequently leased to an international real estate firm. The partnership engaged Toeniskoetter & Breeding, Inc. Construction, to construct the building shell for approximately \$2,300,000. The partnership also paid Toeniskoetter & Breeding, Inc. a developer fee of \$133,000 in 2000 in connection with the construction.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(1) Financial Statements	Page

Independent Auditors' Report	21
Consolidated Balance Sheets as of December 31, 2000 and 1999	22
Consolidated Statements of Income and Comprehensive Income for the years ended December 31, 2000, 1999, and 1998	24
Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2000, 1999, and 1998	25
Consolidated Statements of Cash Flows for the years ended December 31, 2000, 1999, and 1998	26
Notes to Consolidated Financial Statements	28

(2) Financial Statement Schedule

Schedule Number	
II Valuation and Qualifying Accounts and Reserves, Years ended December 31, 2000, 1999, and 1998	40

All other schedules are omitted as the required information is inapplicable or the information is presented in the financial statements or related notes.

(3) Exhibits required to be filed by Item 601 of Regulation S-K

See Exhibit Index located immediately following paragraph (b) of this Item 14.

The exhibits filed herewith are attached hereto (except as noted) and those indicated on the Exhibit Index which are not filed herewith were previously filed with the Securities and Exchange Commission as indicated.

(b) Report on Form 8-K. There have been no reports filed on Form 8-K during the last quarter of the period covered by this report.

EXHIBIT INDEX

Exhibit No. Description	Location in Sequentially Numbered Copy
2 Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession:	

2.1 Stock Exchange Agreement dated as of August 20, 1992 (as amended October 21, 1992). Filed as Appendix A to Proxy Statement/Prospectus dated November 11, 1992. S.E.C. File No. 1-8966. NA

2.2 Registration Rights Agreement entered into as of December 31, 1992 among SJW Corp., Roscoe Moss, Jr. and George E. Moss. Filed as Exhibit 4.1 to Form 8-K January 11, 1993. S.E.C. File No. 1-8966. NA

2.3 Affiliates Agreement entered into as of December 31, 1992 among SJW Corp., Roscoe Moss, Jr. and George E. Moss. Filed as Exhibit 4.2 to Form 8-K January 11, 1993. S.E.C. File No. 1-8966. NA

2.4 Affiliates Agreement entered into as December 31, 1992 among SJW Corp., Roscoe Moss Company and Roscoe Moss, Jr. Filed as Exhibit 4.3 to Form 8-K January 11, 1993. S.E.C. File No. 1-8966. NA

2.5 Agreement and Plan of Merger dated as of October 28, 1999 among American Water Works Company, Inc., SJW Acquisition Corporation and SJW Corp. Filed as an Exhibit to 10Q for the period ending September 30, 1999. S.E.C. File No. 1-8966. NA

3 Articles of Incorporation and By-Laws:

3.1 Restated Articles of Incorporation and By-Laws of SJW Corp., defining the rights of holders of the equity securities of SJW Corp. Filed as an Exhibit to Annual Report on Form 10-K for the year ended December 31, 1991. S.E.C. File No. 1-8966. NA

4 Instruments Defining the Rights of Security Holders, including Indentures:

No current issue of the registrant's long-term debt exceeds 10 percent of its total assets. SJW Corp. hereby agrees to furnish upon request to the Commission a copy of each instrument defining the rights of holders of unregistered senior and subordinated debt of the company. NA

10 Material Contracts:

10.1 Water Supply Contract dated January 27, 1981 between San Jose Water Works and the Santa Clara Valley Water District, as amended. Filed as an Exhibit to Annual Report Form 10-K for the year ended December 31, 1991. S.E.C. File No. 1-8966. NA

Executive Compensation Plans and Arrangements:

10.2 Resolutions for Directors' Retirement Plan adopted by SJW Corp. Board of Directors, as amended. Filed as an Exhibit to Annual Report on Form 10-K for the year ended December 31, 1991. S.E.C. File No. 1-8966. NA

10.3 Resolutions for Directors' Retirement Plan adopted by San Jose Water Company Board of Directors, as amended. Filed as an Exhibit to Annual Report on Form 10-K for the year ended December 31, 1991. S.E.C. File No. 1-8966. NA

10.4 Ninth amendment to San Jose Water Company Retirement Plan as amended. Filed as an Exhibit to Annual Report on Form 10-K for the year ended December 31, 1996. S.E.C. File No. 1-8966. NA

10.5 San Jose Water Company Executive Supplemental Retirement Plan adopted by San Jose Water Company Board of Directors. Filed as an Exhibit to Annual Report on Form 10-K for the year ended December 31, 1992. S.E.C. File No. 1-8966. NA

10.6 First Amendment to San Jose Water Company Executive Supplemental Retirement Plan adopted by San Jose Water Company Board of Directors. Filed as an Exhibit to Annual

Report on Form 10-K for the year ended December 31, 1992.
S.E.C. File No. 1-8966. NA

10.7 Second Amendment to San Jose Water Company Executive Supplemental Retirement Plan adopted by San Jose Water Company Board of Directors. Filed as an Exhibit to Annual Report on Form 10-K for the year ended December 31, 1998. S.E.C. File No. 1-8966. NA

10.8 Third Amendment to San Jose Water Company Executive Supplemental Retirement Plan adopted by San Jose Water Company Board of Directors. Filed as an Exhibit to Annual Report on Form 10-K for the year ended December 31, 1998. S.E.C. File No. 1-8966. NA

10.9 Fourth Amendment to San Jose Water Company Executive Supplemental Retirement Plan adopted by San Jose Water Company Board of Directors. Filed as an Exhibit to Annual Report on Form 10-K for the year ended December 31, 1998. S.E.C. File No. 1-8966. NA

10.10 Fifth Amendment to San Jose Water Company Executive Supplemental Retirement Plan adopted by San Jose Water Company Board of Directors. Filed as an Exhibit to Annual Report on Form 10-K for the year ended December 31, 1998. S.E.C. File No. 1-8966. NA

10.11 SJW Corp. Executive Severance Plan adopted by SJW Corp. Board of Directors. Filed as an Exhibit to Annual Report on Form 10-K for the year ended December 31, 1998. S.E.C. File No. 1-8966. NA

10.12 Sixth Amendment to San Jose Water Company's Executive Supplemental Retirement Plan. Filed as an Exhibit to 10Q for the period ending September 30, 1999. S.E.C. File No. 1-8966. NA

10.13 Amendment to SJW Corp.'s Executive Severance Plan. Filed as an Exhibit to 10Q for the period ending September 30, 1999. S.E.C. File No. 1-8966. NA

10.14 SJW Corp.'s Transaction Incentive and Retention Program for Key Employees. Filed as an Exhibit to 10Q for the period ending September 30, 1999. S.E.C. File No. 1-8966. NA

10.15 Resolution for Directors' Retirement Plan adopted by SJW Corp. Board of Directors as amended on September 22, 1999. Filed as an Exhibit to 10Q for the period ending September 30, 1999. S.E.C. File No. 1-8966. NA

10.16 Resolution for Directors' Retirement Plan adopted by San Jose Water Company's Board of Directors as amended on September 22, 1999. Filed as an Exhibit to 10Q for the period ending September 30, 1999. S.E.C. File No. 1-8966. NA

10.17 Resolution for Directors' Retirement Plan adopted by SJW Land Company Board of Directors on September 22, 1999. Filed as an Exhibit to 10Q for the period ending September 30, 1999. S.E.C. File No. 1-8966. NA

10.18 Limited Partnership Agreement of 444 West Santa Clara Street, L. P. executed between SJW Land Company and Toeniskoetter & Breeding, Inc. Development. Filed as an Exhibit to 10Q for the period ending September 30, 1999. S.E.C. File No. 1-8966. NA

21 Subsidiaries of the Registrant. Filed as an Exhibit to Annual Report on Form 10-K for the year ended December 31, 1992. S.E.C. File No. 1-8966. NA

99 Additional Exhibits: None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SJW CORP.

Date: March 15, 2001 By /s/ J.W. WEINHARDT
Chairman, Board of Directors

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: March 15, 2001 By /s/ J.W. WEINHARDT
Chairman, Board of Directors

Date: March 15, 2001 By /s/ W. RICHARD ROTH
Chief Executive Officer and Member
Board of Directors

Date: March 15, 2001 By /s/ ANGELA YIP
Chief Financial Officer

Date: March 15, 2001 By /s/ ANDREA ELLIOTT
Chief Accounting Officer

Date: March 15, 2001 By /s/ MARK L. CALI
Member, Board of Directors

Date: March 15, 2001 By /s/ J. PHILIP DINAPOLI
Member, Board of Directors

Date: March 15, 2001 By /s/ DREW GIBSON
Member, Board of Directors

Date: March 15, 2001 By /s/ RONALD R. JAMES
Member, Board of Directors

Date: March 15, 2001 By s/s GEORGE E. MOSS
Member, Board of Directors

Date: March 15, 2001 By /s/ ROSCOE MOSS, JR.
Member, Board of Directors

Date: March 15, 2001 By /s/ CHARLES J. TOENISKOETTER
Member, Board of Directors

In accordance with the Securities and Exchange Commission's requirements, SJW Corp. will furnish copies of any exhibit upon payment of a 30 cents per page fee.

To order any exhibit(s), please advise the Secretary, SJW Corp., 374 West Santa Clara Street, San Jose, CA 95196, as to the exhibit(s) desired.

On receipt of your request, the Secretary will provide to you the cost of the specific exhibit(s). The Secretary will forward the requested exhibits upon receipt of the required fee.