

## How to Read Your Bill

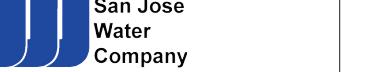
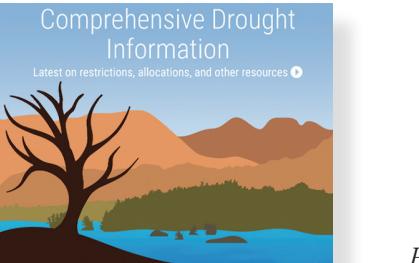
Understanding your water bill is a great way to learn more about your water usage. SJWC's water bills are typically made up of three components:

- Service charge – recovers a portion of our fixed costs
- Quantity charge – based on consumption and a tiered rates system for residential customers
- Surcharges (sur-credits) – other approved charges (or credits)

A billing example is available on our website at [www.sjwc.co/read\\_your\\_bill](http://www.sjwc.co/read_your_bill).

## Water Supply Outlook

California officially entered its sixth year of drought on October 1, 2016. The Santa Clara Valley Water District has maintained its call for 20% conservation of 2013 usage through January 31, 2017, to ensure adequate future water supplies and minimize the threat of subsidence. SJWC offers comprehensive water conservation resources including our complimentary water audit program. For the most updated drought information, please visit [www.sjwater.com](http://www.sjwater.com).



San Jose Water Company  
110 West Taylor Street, San Jose, CA 95110  
(408) 279-7900 • Se Habla Español  
[www.sjwater.com](http://www.sjwater.com)

Providing safe and reliable water since 1866  
Printed on Recycled Paper

30316-I-0050

## Water Fluoridation

In December 2016, certain parts of SJWC's service area began receiving fluoridated water originating from the Santa Clara Valley Water District's water treatment facility. Special numbers have been set up by the California Department of Public Health (toll free 1-844-435-8420) and Santa Clara Valley Water District (408-630-2020) to receive your inquiries. For further information, please visit [http://sjwc.co/fluoride\\_faq](http://sjwc.co/fluoride_faq).

## Is Your Contact Information Current?

We want to make sure we can get in touch with you when needed. Please send your name, address, and current home and cell phone numbers to: [customer.service@sjwater.com](mailto:customer.service@sjwater.com)

## SJJC Customer Service Annual Report

- WHAT'S INSIDE:**
- What Drives the Cost of Water?
  - Where Your Dollar Goes ■ How Affordable is Your Water? ■ Employee Spotlight
  - 150th Anniversary Gift ■ How to Read Your Bill
  - Water Supply Outlook ■ Fluoride Update



## What Drives the Cost of Water?

Clean, safe, and reliable drinking water more than just quenches our thirst. It also protects public health, grows our economy, and provides the basis for a high quality of life. Yet very few people understand what it takes to deliver safe, high quality, and reliable water service to their homes 24 hours a day, every day of the year.

According to the United States Environmental Protection Agency, in order to be able to continue to deliver high quality and reliable water service, our nation's water systems will require hundreds of billions of dollars of investments by 2030.

San Jose Water Company (SJWC) faces the same challenges as our water system turns 150 years old. Many water system components such as pipes, wells, and tanks have reached the end of their useful lives and require replacement. Waiting until they fail is not a safe and responsible option. Previous generations invested in the water system



so we could enjoy reliable water service. It is now our turn to pay it forward and make those investments so that future generations may continue to benefit.



To ensure more reliable water supplies, SJWC is working with local agencies to identify and fast-track water supply solutions. While new water supplies such as recycled water will be expensive, we believe it can augment the potable water supply and provide the resiliency and reliability needed during drought years.

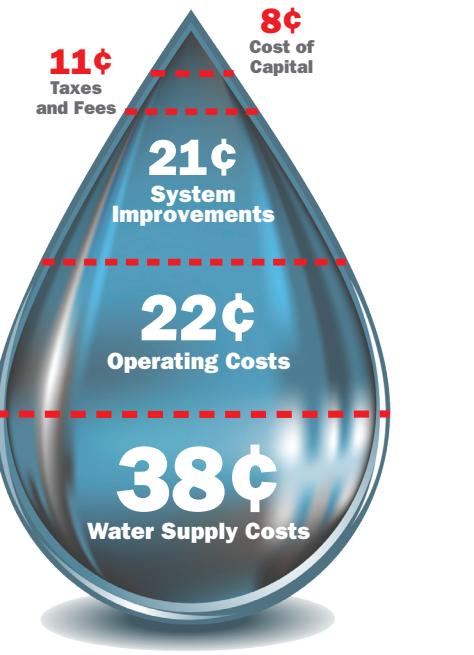


For more information on the cost of water, please visit [www.sjwater.com](http://www.sjwater.com).



## Where Your Dollar Goes

Safe and reliable water service is essential to protecting public health, delivering fire protection, and supporting economic growth. Our goal is to deliver high quality water and exceptional customer service at the lowest possible cost.



As illustrated, there are some costs over which we have no control. Nearly half of each dollar collected from customers cover water supply costs and pay federal, state, and local taxes. Water supply costs from the Santa Clara Valley Water District have increased an average of 10% per year for the last ten years.

**38¢** Water Supply Costs include costs from the Santa Clara Valley Water District for both the purchase of treated water and the required charge to pump groundwater from the underground aquifer.

**22¢** Operating Costs include operations, maintenance, purchased power from PG&E, and administrative expenses.

**21¢** System Improvements include capital improvement costs associated with our water distribution system and depreciation.

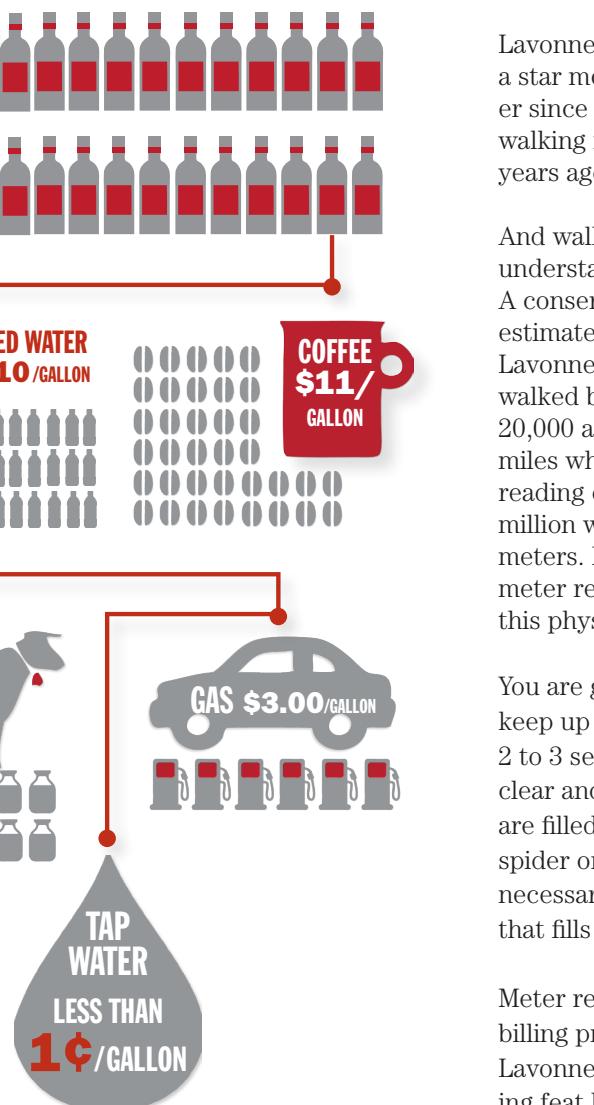
**11¢** Taxes and Fees include federal, state, and local taxes.

**8¢** Cost of Capital includes the interest paid on the debt and the return paid on the equity required to finance water system improvements.

## How Affordable Is Your Water?

At less than a penny a gallon, tap water remains one of the lowest cost utility bills – a true value considering the resources and expertise it takes to treat and deliver safe and reliable water to your tap 24 hours a day, every day of the year. For most households, you can cook, clean, and enjoy fire protection for about \$3 a day. When compared to other products we use every day, tap water is clearly one of the best values around!

## How Does the Cost of Water Compare?



Source: Association of California Water Agencies

## Employee Spotlight: Lavonne, Meter Reading

Lavonne has been a star meter reader since she began walking routes 15 years ago.

And walk is an understatement. A conservative estimate is that Lavonne has walked between 20,000 and 30,000 miles while reading over one million water meters. Most meter readers walk between 5 and 8 miles per day in this physically demanding job.

You are going to have to be quick if you want to keep up with Lavonne. Reading a meter takes her 2 to 3 seconds. But that's only if the meter glass is clear and the box is clean. Sometimes meter boxes are filled with debris, dirt, water and an occasional spider or snake. To get the reading, it's sometimes necessary to dig out the dirt or pump out rainwater that fills the box. But that never deters Lavonne.

Meter reading accuracy is the key to the entire billing program. In her 15 years of reading meters, Lavonne has had a total of 8 misreads. This astonishing feat has resulted in an accuracy rate of 99.99%.

"It's a challenge to always get the right read. But it's important because we are dealing with customer's money," says Lavonne.

Enjoying the fresh air, meeting customers along the route and seeing the community from the Los Gatos mountains to downtown San Jose are the things that put a smile on Lavonne's face. SJWC salutes Lavonne and her outstanding achievements.

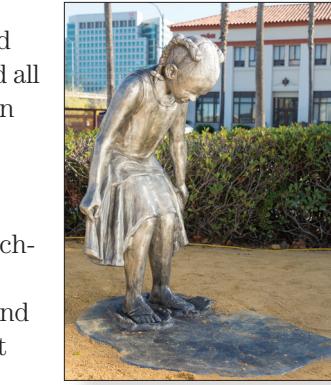
## 150th Anniversary – Our Gift to the Community

San Jose Water Company has been an integral part of the community for the past 150 years. Founded on November 21, 1866, the company began with two wooden tanks and 400 connections in downtown San Jose. Today we serve more than one million people with 235,000 connections.

To contribute to the community in which we live, work and serve, SJWC made a donation of \$150,000 to the Guadalupe River Park Conservancy. This gift will extend the Children's Sculpture Walk into a one-mile path filled with a total of eight delightful scenes of children at play.

San Jose Rotary Club started the project with two installations in 2012 and we added two more vignettes in November 2016. Four more scenes will be added in 2017.

This is a true community-themed gift. The ideas for the four 2017 sculptures came from students at Washington Elementary School and Hacienda Environmental Science Magnet School, our Adopt-A-School partner for almost 30 years.



Two local artists created the beautiful cast-aluminum sculptures. Ryan Carrington and Steve Davis have designed, sculpted and manufactured all of the pieces. Ryan teaches sculpture at Santa Clara University. Steve is the Foundry Technician at San Jose State University and an art professor at local colleges.

As California's oldest investor-owned water utility, we are proud of our 150 year history. The consistent growth, technological advances and exceptional people have made it the sound company it is today – providing safe, quality water with exceptional customer service. Here's looking at the next 150 years!