

March 16, 2007

Notice of Ratification of Related Party Transaction on February 26, 2007

In the fall of 2006, San Jose Water Company solicited bids from four contractors to construct four wells. San Jose Water Company received two bids and it selected the contractor with the lowest bid, which had total project costs of \$1,575,172 to drill, develop and install the casings and screens for the four wells. Roscoe Moss Manufacturing Company has supplied well casings and screens to the general contractor for this well project and through January 1, 2007 had billed the contractor \$397,873.03. George E. Moss is Vice Chairman of the Board and beneficial owner of 23% of the outstanding stock of Roscoe Moss Manufacturing Company and Robert A. Van Valer is the President and the beneficial owner of approximately 5% of the outstanding stock of Roscoe Moss Manufacturing Company. Other members of Mr. Moss' extended family own 61% of the outstanding stock of Roscoe Moss Manufacturing Company.

This indirect transaction between San Jose Water Company and Roscoe Moss Manufacturing Company was ratified by the Audit Committee of SJW Corp. on February 26, 2007, shortly after it was determined by the executive officers of the Corporation that purchase of well casings and screens from Roscoe Moss Manufacturing Company by a contractor of San Jose Water Company was a related party transaction under Item 404(a) of SEC Regulation S-K.