



## Passage of North Carolina Fair Market Value Legislation Provides Unique Alternative for Municipalities That Own Water, Wastewater Systems

July 10, 2018

BRYN MAWR, Pa.--(BUSINESS WIRE)--Jul. 10, 2018-- Aqua America Inc. (NYSE: WTR) today said a new law enacted by the North Carolina General Assembly will allow regulated utilities to pay a fair market value for municipal water and wastewater systems. Similar legislation in other states has enabled municipal leaders selling their systems to regulated utilities to fund other municipal priorities. It has also generated significantly increased infrastructure investment by regulated utilities in those communities.

"Nationally, regulators and environmental officials have recognized the need to regionalize water and wastewater systems," said Aqua America Chairman and CEO Christopher Franklin. "North Carolina has become Aqua's fifth state to pass legislation providing the opportunity for municipal utilities to receive a fair market value for their systems."

Prior to this legislation, regulated utilities were limited to including only the original depreciated cost of systems into their rate base, which became a regulatory barrier to a sale. Now, Aqua North Carolina can leverage its compliance expertise, purchasing power and operational efficiencies to benefit local systems' infrastructure and service, according to Franklin.

"We look forward to working with more communities as an integral part of their work to provide excellent water and wastewater service while allowing municipal officials to use sale proceeds for locally meaningful projects and initiatives," he said.

According to the North Carolina's State Water Infrastructure Authority, the state is facing up to \$26 billion in water and wastewater infrastructure needs over the next 20 years. North Carolina is not alone - the American Society of Civil Engineers gave the nation's drinking water and wastewater system infrastructure grades of D and D+, respectively.

"America's water and wastewater systems are in dire need of repair and replacement," added Franklin. "As we've done successfully in each of the states where we operate, Aqua is now in a position to play an even more active role in making essential improvements to North Carolina's infrastructure by remaining focused on improving compliance, service and environmental stewardship for generations to come."

Aqua America has five fair market value asset purchase agreements in place, with Cheltenham, East Bradford, Limerick and New Garden townships in Pennsylvania, and the Village of Manteno in Illinois. When it completes these acquisitions, the company will welcome approximately 23,000 new customer connections to the Aqua family.

### About Aqua America

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit [AquaAmerica.com](http://AquaAmerica.com) for more information, or follow Aqua on Facebook at [facebook.com/MyAquaAmerica](https://facebook.com/MyAquaAmerica) and on Twitter at [@MyAquaAmerica](https://twitter.com/MyAquaAmerica).

### Forward-looking statement

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others: that the legislation may result in municipalities selling their water and/or wastewater systems. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business conditions; the company's ability to leverage its compliance expertise, purchasing power, and operational experience; the company's ability to fund needed infrastructure; changes in regulations or regulatory treatment; availability and access to capital; the cost of capital; disruptions in the credit markets; and other factors discussed in our Annual Report on Form 10-K and our Quarterly Report on Form 10-Q, which are filed with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with Aqua America's business, please refer to Aqua America's annual, quarterly and other SEC filings. Aqua America is not under any obligation—and expressly disclaims any such obligation—to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

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