



Aqua America's Virginia Subsidiary Buys Wastewater System

BRYN MAWR, Pa.--(BUSINESS WIRE)-- Aqua America, Inc. (NYSE: WTR) announced today the purchase of the wastewater system assets of Manakin Water and Sewerage Corporation and Manakin Farms, Inc. in Goochland County, Virginia, for \$80,000. The wastewater system serves 278 residential customers (approximately 850 people). Aqua already provides water to these customers.

The existing wastewater plant consists of a gravity collection system and lagoon wastewater treatment system. Aqua plans to build a new 70,000 gallons-per-day wastewater treatment plant in 2012 to upgrade the level of treatment, comply with an existing consent order from the Virginia Department of Environmental Quality, and bring the wastewater system into compliance with federal and state environmental standards.

"Aqua is interested in expanding our footprint in Virginia," said Aqua America Chairman Nicholas DeBenedictis. "We've proudly provided quality drinking water service to the Manakin Farms community for about eight years, and we look forward to using our experience and know-how to build a new wastewater system that's good for our customers and the environment."

Virginia was recently cited by CNBC as the number one state in the nation to do business. Two other states in which Aqua America has utility operations, Texas and North Carolina, each made the top five on the list, and all of Aqua America's state operations are in the nation's 15 largest (most populated) states. "We are continuing to focus our utility operations in states that have a positive regulatory and business climate that allow us to continue to make the capital investments necessary to deliver quality water and reliable service to our customers, while providing the opportunity to earn an adequate return on that investment for our shareholders," said DeBenedictis. "We will also continue to pursue opportunities in other states consistent with our growth-through-acquisition strategy."

Last week, Aqua announced that it has reached an agreement to sell its Maine operations to Connecticut Water Service, Inc. Last month, Aqua announced that it will sell its regulated operations in New York (50,520 customers) to American Water (NYSE: AWK) and purchase American Water's operations in Ohio (57,280 customers). In June, Aqua America's Texas subsidiary acquired 51 water and five wastewater systems from Texas American including 4,200 water and 1,100 wastewater customers (16,000 people) for \$6 million — the approximate book value of the assets. That transaction was the final step in a property swap between the two companies that began in May, when Aqua America sold the bulk of its regulated Missouri operations (approximately 3,700 customers) to American Water for \$3.2 million.

Having recently exited or signed agreements to exit South Carolina, Missouri, New York and Maine, Aqua America will have concentrated its regulated operations in nine states (Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Florida, Indiana and Virginia). The company maintains a non-regulated wastewater operation in Georgia.

Aqua America is one of the largest U.S.-based, publicly-traded water utilities and serves almost 3 million residents in Pennsylvania, Ohio, Illinois, Texas, New Jersey, Indiana, Virginia, Florida, North Carolina, Maine, New York and Georgia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR.

This release contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995 that address, among other things: benefits from the acquisition of the acquired system and the impact the company may have on the acquired system, the continuation of the company's strategy to pursue the acquisition of water and wastewater systems, continued investment in the company's utility systems and the effects of such investments, and planned investments in the acquired system. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: the risk that the acquired company's business will not be successfully integrated; and other key factors that we have indicated could adversely affect our business and financial performance discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, which is on file with the Securities and Exchange Commission. 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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