

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>DEBENEDICTIS NICHOLAS</u>  (Last) (First) (Middle) 762 W LANCASTER AVE.  (Street) BRYN MAWR PA 19010  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>AQUA AMERICA INC [ WTR ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>CHAIRMAN &amp; PRESIDENT</u>
	3. Date of Earliest Transaction (Month/Day/Year) 02/15/2006	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	02/02/2006	02/02/2006	G	V	1,690	D	\$28.39	570,320 <sup>(1)</sup>	D	
Common Stock	02/15/2006	02/15/2006	M		41,575	A	\$13.755	588,120.549 <sup>(1)</sup>	D	
Common Stock	02/15/2006	02/15/2006	M		31,110	A	\$16.1475	619,230.549 <sup>(1)</sup>	D	
Common Stock	02/15/2006	02/15/2006	S		72,685 <sup>(1)</sup>	D	\$27.53	546,545.549 <sup>(1)</sup>	D	
COMMON STOCK - IRA								4,444.145	D	
COMMON STOCK 401K								11,916.782	D	
COMMON STOCK - IRA								2,731.88	I	IRA - SPOUSE

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Stock Options (Right to buy)	\$13.755	02/15/2006	02/15/2006	M			41,575	05/15/2004	05/15/2013	Common Stock	41,575	\$13.755	42,821	D	
Stock Options (Right to buy)	\$16.1475	02/15/2006	02/15/2006	M			31,110	03/01/2005	03/01/2014	Common Stock	31,110	\$16.1475	56,031	D	

**Explanation of Responses:**

1. Shares sold in conjunction with 10b5-1 Plan

Barbara Cummings 02/21/2006  
 \*\* Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.