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| <b>OMB APPROVAL</b>                             |           |
| OMB Number:                                     | 3235-0287 |
| Estimated average burden<br>hours per response: | 0.5       |

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*<br><b>STAHL ROY</b><br><br>(Last) (First) (Middle)<br><b>762 W LANCASTER AVE.</b><br><br>(Street)<br><b>BRYN MAWR PA 19010</b><br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><b>AQUA AMERICA INC [ WTR ]</b> | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><br>Director 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below) Other (specify below)<br><b>EXECUTIVE VICE PRESIDENT</b> |
|   | 3. Date of Earliest Transaction (Month/Day/Year)<br><b>11/13/2006</b>          |   |
| 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                    | 11/13/2006                           | 11/13/2006   | M                              |   | 8,921   | A          | \$5.8125 | 81,186  | D  |   |
| Common Stock                    | 11/13/2006                           | 11/13/2006   | M                              |   | 1,079   | A          | \$7.0425 | 82,265  | D  |   |
| Common Stock                    | 11/13/2006                           | 11/13/2006   | S                              |   | 10,000 <sup>(1)</sup>   | D          | \$24     | 72,265  | D  |   |
| COMMON STOCK 401K               |                                      |  |                                |   |   |            |          | 24,606.6151   | D  |   |
| Restricted                      |                                      |  |                                |   |   |            |          | 5,000   | D  |   |

**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 |   |  |  |   |  |
| Stock Options (Right to buy)               | \$5.8125   | 11/13/2006                           | 11/13/2006   | M                              |   | 8,921  |     | 03/03/1998   | 03/03/2007      | Common Stock 8,921  | \$5.8125                                   | 0  | D   |  |
| Stock Options (Right to buy)               | \$7.0425   | 11/13/2006                           | 11/13/2006   | M                              |   | 1,079  |     | 03/06/2001   | 03/06/2010      | Common Stock 1,079  | \$7.0425                                   | 19,750   | D   |  |

**Explanation of Responses:**

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

ROY H STAHL 11/14/2006

\*\* 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.