

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

OMB APPROVAL	
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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) 10/28/2010	
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-GRAT	10/28/2010		J		120,885.878 <sup>(1)</sup>	D	\$21.335	0	I	GRAT #1 - Spouse
Common Stock-GRAT	10/28/2010		J		120,885.878 <sup>(1)</sup>	A	\$21.335	120,885.878	I	Grat #3 - Spouse
Common Stock								206,860.95 <sup>(2)</sup>	D	
Common Stock Ownership By Spouse								0	I	Spouse
Common Stock-GRAT								120,855	I	GRAT #1
Common Stock-GRAT								120,000	I	GRAT #2
Common Stock-GRAT								120,000	I	GRAT #2 - Spouse
Common Stock - Ira								3,878.23	D	
Common Stock - Ira								3,100.97	I	IRA - Spouse
Common Stock 401k								13,611.89 <sup>(3)</sup>	I	401k

**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		Date Exercisable	Expiration Date					

**Explanation of Responses:**

1. On October 28, 2010, the reporting person's spouse contributed shares to a grantor retained annuity trust ("GRAT") by purchasing the shares from a separate GRAT, created on December 10, 2009, for which she serves as trustee. These shares are reported as indirectly owned by the reporting person by virtue of his spouse serving as trustee of the new GRAT and her pecuniary interest in the retained annuity provided therein.

2. Includes 646.12 shares acquired under the Issuer's dividend reinvestment plan since the date of the reporting person's last ownership report.

3. Since the date of the reporting person's last ownership report, the reporting person acquired 30.95 shares under the Issuer's 401k Plan.

**Remarks:**

/s/ Brian Dingerdissen,  
attorney-in-fact for Mr.  
DeBenedictis

10/29/2010

\*\* 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.

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