

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 & PRESIDENT</u>
	3. Date of Earliest Transaction (Month/Day/Year) 01/17/2006	
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	01/17/2006	01/17/2006	M		1,534	A	\$12.48	555,724 ⁽¹⁾	D	
Common Stock	01/17/2006	01/17/2006	M		53,147	A	\$12.4875	608,871 ⁽¹⁾	D	
Common Stock	01/17/2006	01/17/2006	S		54,861 ⁽¹⁾	D	\$28.0204	554,010 ⁽¹⁾	D	
Common Stock	01/18/2006	01/18/2006	M		18,000	A	\$12.48	572,010 ⁽¹⁾	D	
Common Stock	01/18/2006	01/18/2006	S		18,000 ⁽¹⁾	D	\$27.6184	554,010 ⁽¹⁾	D	
COMMON STOCK - IRA								3,273	D	
COMMON STOCK 401K								11,160	D	
Restricted								17,333	D	
COMMON STOCK - IRA								2,618	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)	\$12.48	01/17/2006	01/17/2006	M			1,534	05/15/2005	05/15/2013	Common Stock	1,534	\$12.48	18,000	D	
Stock Options (Right to buy)	\$12.4875	01/17/2006	01/17/2006	M			53,147	06/17/2005	06/17/2012	Common Stock	53,147	\$12.4875	0	D	
Stock Options (Right to buy)	\$12.48	01/18/2006	01/18/2006	M			18,000	05/15/2005	05/15/2013	Common Stock	18,000	\$12.48	0	D	

Explanation of Responses:

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

Barbara Cummings

01/19/2006

** 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.