



## **Aqua America Grows in Texas with Water and Wastewater System Acquisitions**

BRYN MAWR, Pa., Jul 12, 2006 (BUSINESS WIRE) -- Aqua America, Inc. (NYSE:WTR) announced today that its subsidiary Aqua Texas, Inc. (Aqua) has acquired the water and wastewater utility assets of Hood County Utilities, Inc. in a transaction valued at \$975,000. The acquisition consists of three water systems and one wastewater utility, which serve more than 2,200 residents near Granbury in Hood County

"Texas is one of Aqua's fast-growing southern states -- expanding with organic growth at a rate twice that of our northern operations. This latest acquisition will be integrated into our existing operation in the Dallas-Fort Worth region and allows us to gain economies of scale," said Aqua America Chairman and Chief Executive Officer Nicholas DeBenedictis.

Aqua owns more than 375 water and wastewater systems in Texas serving approximately 155,000 residents in 49 counties. The Hood County acquisition expands Aqua's regional network in the Dallas-Fort Worth area by adding the acquired water systems serving the River Run and Lakeside Hills residential communities, as well as the water and wastewater systems for the Blue Water Shores subdivision.

Over the next several years, Aqua plans to make nearly \$250,000 in water infrastructure improvements to these new systems, including storage tank and electrical upgrades, new radio frequency water meters, and an interconnection between the Lakeside Hills system and Aqua's adjacent Hunterwood operation. In addition, the company has plans to replace the wastewater system's existing clarifier.

Aqua Texas is a subsidiary of Aqua America, the largest U.S.-based publicly traded water company in the country, serving more than 2.5 million residents in 13 states. Aqua America, Inc. is listed on both the New York and Philadelphia Stock Exchanges 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, the assimilation of the acquired systems, economies of scale from the acquired systems, projected investment in the acquired systems, possible benefits from the acquired operations, and the expected timing and extent of improvements to systems. 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; the costs related to the transaction; the risk that anticipated benefits will not be obtained or will not be obtained within the time anticipated; and other key factors that we have indicated could adversely affect our business and financial performance contained in our past and future filings and reports, including those filed 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.

WTRF

SOURCE: Aqua America, Inc.

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