



Aqua America Contracts Atlantic States Cast Iron Pipe Company to Supply Pipe for 2010 Capital Program

BRYN MAWR, Pa., Jan 26, 2010 (BUSINESS WIRE) -- Aqua America, Inc. (NYSE:WTR) announced today that it has contracted Atlantic States Cast Iron Pipe Company (Atlantic States) of Phillipsburg, New Jersey to provide ductile iron pipe throughout the year as they continue to replace aging main throughout its Northeast and Midwest operations.

Under the one-year contract, Aqua America subsidiaries in Pennsylvania, New Jersey, New York, Ohio, Illinois, Indiana and Missouri will purchase ductile iron pipe from Atlantic States.

Regional President Karl Kyriss said he was very pleased with the contract. "Atlantic States offered us competitive pricing that will enable us to install more pipe than the prices of other companies that bid on the contract," said Kyriss. "We're also pleased to be able to conduct this level of business with a local company that operates in the back yard of our New Jersey operation, employing people who live in that region," referring to the fact that Aqua New Jersey's northern operations are also located in Phillipsburg.

Kyriss said the bulk of the pipe will be installed in Pennsylvania where Aqua Pennsylvania expects to install more than 528,000 feet of replacement main.

Atlantic States' Vice President and General Manager Mitchell Kidd said, "While we've provided pipe to Aqua on a smaller scale in the past, we are glad to have the opportunity to increase our business with them to this level, which benefits our company and our employees," said Kidd. "We are very excited about this contract and the fact that private utilities like Aqua America are proceeding with their capital programs, despite the economy."

Kyriss said Aqua America is in the enviable position of being able to fund its capital programs despite the economy. "I've heard that in some cases, municipal utilities are delaying their capital activity because they are awaiting economic stimulus funds, which in some cases, have not been released. At Aqua America, we have been able to use our strong balance sheet to access the capital markets at reasonable rates so that we can continue our capital investment, a large part of which is to replace aging water mains."

The U.S. Environmental Protection Agency (EPA) Drinking Water Infrastructure Needs Survey and Assessment estimates a 20-year capital investment need of \$334.8 billion for public water systems, including water mains. The American Society of Civil Engineers (ASCE) report titled ***Failing Infrastructure Cannot Support A Healthy Economy*** graded the nation's drinking water and wastewater systems a D- and estimated an annual shortfall of at least \$11 billion to replace aging facilities that are near the end of their useful life and to comply with existing and future federal water regulations.

Aqua America, Inc. is one of the largest U.S.-based publicly traded water and wastewater utility holding companies, serving approximately 3million residents in Pennsylvania, New York, Ohio, North Carolina, Illinois, Texas, Florida, New Jersey, Indiana, Virginia, Maine, Missouri, South Carolina and Georgia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR.

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This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others: the amount and location of replacement pipe to be installed, the Company's ability to access capital markets at reasonable rates and the Company's capital investment program. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business conditions; availability and the cost of capital; and other factors discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, which is on file with the SEC. We undertake no obligation to publicly update or revise any forward-looking statement.

SOURCE: Aqua America, Inc.

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