



Aqua America Pennsylvania Subsidiary Receives \$1.23 Million in Low-Interest Financing for Water Infrastructure Project

BRYN MAWR, Pa., Jul 22, 2009 (BUSINESS WIRE) -- Aqua America, Inc. (NYSE:WTR) announced today that its largest subsidiary--Aqua Pennsylvania, Inc. (Aqua)--has been approved for a \$1.23 million low interest loan from the Pennsylvania Infrastructure Investment Authority (PENNVEST) to make water quality improvements at existing well stations in its Country Club Gardens, Maple Hills and Springhouse Farms water systems in Lehigh County.

Interest rates on the 20-year loan are 1.274 percent for the first 5 years and 2.547 percent for the remaining term. Aqua America Chairman and CEO Nicholas DeBenedictis said, "Aqua Pennsylvania has among the lowest cost of debt in the private water utility industry, primarily as a result of our excellent credit rating and our aggressive strategy to seek out low-cost financing."

Aqua Pennsylvania has an A+ S&P corporate credit rating, which improves its ability to economically expand its infrastructure rebuilding program. In 2009, Aqua expects to spend approximately \$236 million in Pennsylvania on infrastructure improvements, most of which will be funded by internally generated cash.

When Aqua America announced an agreement to issue \$58 million in tax-exempt First Mortgage Bonds earlier this month, DeBenedictis said, "The strong S&P credit rating allows the company to continue to access the capital markets at reasonable rates and enables Aqua to contribute to the reduction of the overall embedded cost of debt for Aqua America companies, which is now at 5.6 percent. This has allowed us to maintain our business model and to finance infrastructure projects that will improve water quality and reliability, and benefit the local economy."

The Country Club Garden project includes the replacement of an existing well station and water storage tank; the installation of a new water line to connect the well station and storage tank; the installation of an emergency generator; and demolition of existing structures at two other locations, all in South Whitehall Township.

The Maple Hills project includes the replacement of an existing well station and storage tank and the installation of an emergency generator in Lower Macungie Township.

The Springhouse Farms project includes the replacement of a well station, the installation of an emergency generator, and the demolition of existing in South Whitehall Township.

Aqua America, Inc. is a publicly traded water and wastewater utility holding company with operating subsidiaries serving approximately three million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, New York, Indiana, Florida, Virginia, Maine, Missouri and South Carolina. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR.

This release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others, the Company's ability to continue its infrastructure improvement program and capital plans, expected interest rate savings and their effect on rate payers, and the Company's ability to access the capital markets. There are important factors that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements including among others, the successful completion of the company's low-interest financing program; the company's ability to realize the benefits from its low-interest financing; the effect of the low-interest financing on the company's interest expense; the company's ability to successfully complete the construction projects; general economic business conditions; the success of certain cost containment initiatives; changes in regulations or regulatory treatment; availability and cost of capital; and the success of growth initiatives; and other factors discussed in our Annual Report or Form 10-K for the fiscal year ended December 31, 2007, which is on file with the SEC. We undertake no obligation to publicly update or revise any forward-looking statement.

WTRF

SOURCE: Aqua America, Inc.

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