



Aqua America CEO: Private Water Company Infrastructure Investment Can Rebuild Systems, Create Jobs

BRYN MAWR, Pa.--(BUSINESS WIRE)-- Aqua America, Inc. (NYSE: WTR) Chairman and CEO Nicholas DeBenedictis said that the \$250 million the company's Pennsylvania subsidiary is investing in water infrastructure is not only restoring aging water systems, but is also creating and sustaining local living wage jobs. The comments were made today at the Urban Land Institute of Philadelphia's conference **Water, Water Everywhere? Anywhere? Who's Going to Pay?**

In his remarks DeBenedictis said that America's water infrastructure problem is big enough that no single entity is going to solve it. "I believe the problem will be resolved by both private and public utilities. Aqua America is in the enviable financial position of being able to fund its capital programs despite the economy. Specifically here in Pennsylvania, Aqua Pennsylvania has been able to use its strong balance sheet to access the capital markets at reasonable rates so that we can continue our capital investment," said DeBenedictis. "Often times municipal officials, particularly those in elected positions, struggle with decisions to raise rates and keep the water and wastewater systems financially sound because rate increases are unpopular and there are competing interests including funding for police, fire and education."

DeBenedictis said that Aqua Pennsylvania's capital program has concentrated on replacing aging water mains. He credited the company's progress in this area to the Pennsylvania Public Utility Commission Distribution System Improvement Charge, which has resulted in a reduction in lost water, fewer service interruptions, and minimized the amount of traditional rate requests. "Accounting for just pipe work, our capital program has generated between 270 and 320 full-time equivalent jobs in each of the last two years. If we add our plant work, the number of jobs can be increased by as many as 50 full-time equivalent jobs," he explained. "These contracts are held by local companies, providing living wage jobs to local residents."

With investor-owned utilities, the improvements are paid for with ratepayer dollars and shareholder equity—not tax dollars. Citing his own company as an example he explained that, "Our low cost of debt and low operating cost structure has allowed Aqua Pennsylvania to invest more than three quarters of a billion dollars in infrastructure improvements over the last five years. We have the economies of scale, technological expertise and the access to low-cost capital to support capital programs of the magnitude necessary to take on a key role in solving this nation's water and infrastructure problems. Despite the size of Aqua Pennsylvania's three quarter billion dollar investment, the majority of our customers still pay about a penny per gallon for quality water delivered directly to their taps.

To put the need for water and wastewater infrastructure into context, DeBenedictis referred to the U.S. Environmental Protection Agency (EPA) Drinking Water Infrastructure Needs Survey and Assessment, which estimates a 20-year capital investment need of \$334.8 billion for public water systems. He also referenced a January 2009 news release issued by the American Society of Civil Engineers (ASCE) titled **Failing Infrastructure Cannot Support A Healthy Economy**, in which the organization 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, which are near the end of their useful life, and to comply with existing and future federal water regulations.

Aqua America, Inc., which is celebrating its 125th anniversary this year, 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, and Georgia. 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 to fund its capital program and the impact of infrastructure improvements on service. 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; housing and customer growth trends; unfavorable weather conditions; the success of certain cost containment initiatives; the extent to which rate increase requests are granted and the timing of rate awards; changes in regulations or regulatory treatment; availability and the cost of capital; disruptions in the credit markets; the success of growth initiatives; and other factors discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, which is on file with the SEC. We undertake no obligation to publicly update or revise any forward-looking statement.

Aqua America, Inc.
Donna Alston
Director, Communications
610-645-1095
dpalston@aquaamerica.com

Source: Aqua America, Inc.

News Provided by Acquire Media