

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>Pape Kathy L</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) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Sr. VP Treasurer and Rates</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>05/17/2007</u>	
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	05/17/2007	05/17/2007	M		12,500	A	\$11.46	26,717	D	
Common Stock	05/17/2007	05/17/2007	M		8,073	A	\$12.483	34,790	D	
Common Stock	05/17/2007	05/17/2007	M		3,593	A	\$12.483	38,383	D	
Common Stock	05/17/2007	05/17/2007	M		2,153	A	\$12.4875	40,536	D	
Common Stock	05/17/2007	05/17/2007	M		9,513	A	\$12.4875	50,049	D	
Common Stock	05/17/2007	05/17/2007	M		7,808	A	\$16.1475	57,857	D	
Common Stock	05/17/2007	05/17/2007	M		5,525	A	\$16.1475	63,382	D	
Common Stock	05/17/2007	05/17/2007	M		1,539	A	\$18.3338	64,921	D	
Common Stock	05/17/2007	05/17/2007	M		7,350	A	\$18.3338	72,271	D	
Common Stock	05/17/2007	05/17/2007	S		12,500	D	\$22	59,771	D	
Common Stock	05/17/2007	05/17/2007	S		45,554	D	\$22.077	14,217	D	
COMMON STOCK 401K								1,905	D	

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					
Stock Options (Right to buy)	\$11.46	05/17/2007	05/17/2007	M			12,500	03/06/2002	03/06/2011	Common Stock 12,500	\$11.46	0	D	
Stock Options (Right to buy)	\$12.483	05/17/2007	05/17/2007	M			8,073	03/03/2004	03/03/2013	Common Stock 8,073	\$12.483	3,593	D	

**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	Amount or Number of Shares				
Stock Options (Right to buy)	\$12.483	05/17/2007	05/17/2007	M			3,593	03/03/2004	03/03/2013	Common Stock	3,593	\$12.483	0	D	
Stock Options (Right to buy)	\$12.4875	05/17/2007	05/17/2007	M			9,513	06/17/2003	06/17/2012	Common Stock	9,513	\$12.4875	2,153	D	
Stock Options (Right to buy)	\$12.4875	05/17/2007	05/17/2007	M			2,153	06/17/2003	06/17/2012	Common Stock	2,153	\$12.4875	0	D	
Stock Options (Right to buy)	\$16.1475	05/17/2007	05/17/2007	M			5,525	03/01/2005	03/01/2014	Common Stock	5,525	\$16.1475	7,808	D	
Stock Options (Right to buy)	\$16.1475	05/17/2007	05/17/2007	M			7,808	03/01/2005	03/01/2014	Common Stock	7,808	\$16.1475	0	D	
Stock Options (Right to buy)	\$18.3338	05/17/2007	05/17/2007	M			1,539	02/28/2006	02/28/2015	Common Stock	1,539	\$18.3338	11,794	D	
Stock Options (Right to buy)	\$18.3338	05/17/2007	05/17/2007	M			7,350	02/28/2006	02/28/2015	Common Stock	7,350	\$18.3338	4,444	D	

Explanation of Responses:

Brian Dingerdissen 05/18/2007
** 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.