

August 22, 2014

Aqua America Announces Two-Year Operation and Management Agreement with City of Lake Station, Indiana

BRYN MAWR, Pa.--(BUSINESS WIRE)-- Aqua America (NYSE: WTR) today announced that its Indiana subsidiary has started a two-year operating agreement with the City of Lake Station in Lake County, Indiana, to deliver high-quality drinking water to the city's 14,000 people.

"We're excited to work with Aqua as our community begins to use our new wells and water treatment plant," said Lake Station Mayor Keith Soderquist. "Aqua has the knowledge and the expertise to ensure our families get quality drinking water that meets or surpasses all health standards. We'll gain valuable skills and insights as we continue to modernize our water system."

Under the agreement, Aqua Indiana will operate and manage the city's new water treatment plant for \$12,000 per month. The Lake Station groundwater treatment plant is a newly constructed 2 million-gallon-per-day plant designed to remove hardness, iron and manganese. Five groundwater supply wells provide raw water to the treatment plant while finished water is stored in a new reservoir and distributed through a booster station. The new wells and treatment plant and the existing storage tanks have improved monitoring and control through a state-of-the-art Supervisory Control and Data Acquisition (SCADA) system.

Aqua Indiana President Tom Bruns said that the innovative partnership will bring a highly skilled water operator to Lake Station to manage the start-up and operation of the new water treatment plant that will improve the city's drinking water and ensure abundant water for the community's future. "Aqua is pleased that Lake Station selected us to work closely with city leaders and current utility employees as the city's new water treatment plant and wells go into service," said Bruns. "We hope to be the city's water partner for many years and to help Lake Station continue to improve its water system."

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR.

Aqua Indiana operates 11 utility systems in 11 counties and provides water and wastewater service to more than 100,000 people throughout the state. Visit <u>AquaAmerica.com</u> for more information, or follow Aqua on Facebook at <u>facebook.com/MyAquaAmerica</u> and on Twitter at @MyAquaAmerica.

This release contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. These forward-looking statements are made based upon Aqua America's current expectations and assumptions with respect to, among other things, its ability to successfully continue its growth-through-acquisition strategy and other growth initiatives. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including its ability to successfully integrate the system into its existing operations, its ability to effectively manage the agreement, its access to capital funds, and other key factors that we have indicated that could adversely affect our business and financial performance and that are discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, which is on file with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with Aqua America's business, please refer to Aqua America's annual, quarterly and other SEC filings. 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.

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