



December 4, 2014

Aqua America's Indiana Subsidiary Announces Public-Private Partnership to Expand Wastewater Service in Allen County and Completes Sale of Water System to City of Fort Wayne

BRYN MAWR, Pa.--(BUSINESS WIRE)-- Aqua America (NYSE: WTR) announced today that its Indiana subsidiary, Aqua Indiana, will expand its wastewater service in Allen County through a public-private partnership with the City of Fort Wayne in which Aqua will treat part of the city's wastewater flow. Aqua Indiana today also completed the sale of its drinking water system assets in southwest Allen County to the City of Fort Wayne for \$67 million, which comprises \$50.1 million in addition to \$16.9 million the city already paid Aqua for its water and wastewater system assets in the northern part of Fort Wayne in a contested acquisition in 2008. The Indiana Utility Regulatory Commission approved the sale and other related agreements between the city and Aqua in October.

Aqua Indiana will continue to provide wastewater service to its current customers in southwest Allen County and will begin treating more than 1.5 million gallons per day of wastewater from the city's sewer system in western and southwestern Allen County. This flow volume is the equivalent of gaining an estimated 10,000 sewer customers. The city and Aqua Indiana will cooperate on wastewater master planning and the establishment of efficient service boundaries. By the end of 2015, Aqua expects to have invested approximately \$15 million in its wastewater collection system and treatment facilities in Allen County since the beginning of this year.

"This transaction will benefit Fort Wayne, Aqua and the customers we both serve," said Aqua America Chairman and CEO Nicholas DeBenedictis. "We believe Aqua has received fair value for the long-contested water and wastewater system assets, and we're pleased that both Aqua and the city have resolved years of litigation. We look forward to working with the city to enhance economic development, and we're proud that we'll expand our wastewater operations in Allen County."

DeBenedictis said the sale will provide Aqua with more than \$50 million in cash that the company can reinvest in water and wastewater infrastructure. The gain on sale will be recorded in Aqua America's fourth-quarter financial results.

This release contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. There are important factors that could cause actual results to differ materially from those expressed by such forward-looking statements, including Aqua's ability to invest capital as described in this release, Aqua and the city successfully completing the public-private partnership and other factors discussed in our Annual Report on Form 10-K, 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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Aqua America
Gretchen Toner
Manager, Strategic Communications
O: 610-645-1175
M: 484-368-4816
GMToner@AquaAmerica.com
or
Brian Dingerdissen
Director of Investor Relations
O: 610-645-1191
BJDingerdissen@AquaAmerica.com

Source: Aqua America

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