



June 14, 2017

Aqua Pennsylvania to Welcome New Garden Township as First Municipal Acquisition Using Fair Market Valuation Legislation

BRYN MAWR, Pa.--(BUSINESS WIRE)-- Aqua America, Inc. (NYSE: WTR) today announced its largest subsidiary, Aqua Pennsylvania, received approval from the Pennsylvania Public Utility Commission to purchase the wastewater assets of New Garden Township, serving approximately 2,100 customer connections in southeast Pennsylvania's Chester County.

Aqua's application was the first that the PUC has considered since the state enacted Act 12, commonly referred to as fair market valuation legislation.

"We're proud that Aqua is the first to have an acquisition approved by the PUC under this new legislation," said Aqua America CEO Christopher Franklin.

The new law allows companies like Aqua to pay a fair market amount for municipal water and wastewater systems, benefitting local governments, customers, and the environment. Prior to FMV legislation, utilities were often limited to including only the original depreciated cost into their rate base, which became a regulatory barrier to a sale. Now, Aqua and other regulated utilities can leverage compliance expertise, purchasing power and operational efficiencies to benefit local systems' infrastructure and service.

"This purchase is all part of Aqua's efforts to do our part to strengthen wastewater infrastructure for communities in the states we serve, which means improved service and environmental stewardship for generations to come," Franklin said.

With the new legislation, Aqua is focused on balancing fair price for systems, making important infrastructure improvements and ensuring reasonable rates for its service. Aqua paid \$29.5 million for the New Garden system.

"We're thrilled to welcome New Garden Township residential and business customers to the Aqua family, and look forward to providing them the highest level of service and value," Franklin said. "We hope more communities take advantage of the benefits this new legislation can bring."

According to Franklin, Aqua expects to grow its customer base 1.5 to 2 percent in 2017.

About Aqua America

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. Visit AquaAmerica.com for more information, or follow Aqua on Facebook at facebook.com/MyAquaAmerica and on Twitter at @MyAquaAmerica.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others: the company's ability to grow its customer base 1.5 to 2.0 percent in 2017, and the ability of the company to acquire additional wastewater systems. 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, the successful integration of the customers and the facility, the ability to improve customer service and environmental stewardship, the success of the company's growth efforts including its ability to utilize Act 12, 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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Source: Aqua America, Inc.

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