

DEBENEDICTIS NICHOLAS
Form 4
February 21, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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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 OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
DEBENEDICTIS NICHOLAS

2. Issuer Name and Ticker or Trading Symbol
AQUA AMERICA INC [WTR]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
762 W LANCASTER AVE.

3. Date of Earliest Transaction
(Month/Day/Year)
02/15/2006

Director 10% Owner
 Officer (give title below) Other (specify below)

CHAIRMAN & PRESIDENT

(Street)
BRYN MAWR, PA 19010

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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 (D) Price | | | |
| Common Stock | 02/02/2006 | 02/02/2006 | G | V 1,690 D \$ 28.39 | 570,320 ⁽¹⁾ | D | |
| Common Stock | 02/15/2006 | 02/15/2006 | M | 41,575 A \$ 13.755 | 588,120.549 ⁽¹⁾ | D | |
| Common Stock | 02/15/2006 | 02/15/2006 | M | 31,110 A \$ 16.1475 | 619,230.549 ⁽¹⁾ | D | |
| Common Stock | 02/15/2006 | 02/15/2006 | S | 72,685 ⁽¹⁾ D \$ 27.53 | 546,545.549 ⁽¹⁾ | D | |
| COMMON STOCK - IRA | | | | | 4,444.145 | D | |

| | | | |
|--------------------------|------------|---|-----------------|
| COMMON STOCK 401K | 11,916.782 | D | |
| COMMON STOCK - IRA | 2,731.88 | I | IRA - SPOUSE |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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 control number.

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(9-02)

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 Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|--|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | |
| Stock Options (Right to buy) | \$ 13.755 | 02/15/2006 | 02/15/2006 | M | 41,575 | 05/15/2004 05/15/2013 | Common Stock | 41,575 | |
| Stock Options (Right to buy) | \$ 16.1475 | 02/15/2006 | 02/15/2006 | M | 31,110 | 03/01/2005 03/01/2014 | Common Stock | 31,110 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| DEBENEDICTIS NICHOLAS 762 W LANCASTER AVE. BRYN MAWR, PA 19010 | X | | CHAIRMAN & PRESIDENT | |

Signatures

Barbara
Cummings 02/21/2006

__Signature of
Reporting Person

Date

Explanation of Responses:

- * 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).

(1) Shares sold in conjunction with 10b5-1 Plan

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.