

AQUA AMERICA INC  
 Form 4  
 May 18, 2007

**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 \*  
 Pape Kathy L

(Last) (First) (Middle)

762 W LANCASTER AVE.

(Street)

BRYN MAWR, PA 19010

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 05/17/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

Sr. VP Treasurer and Rates

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

**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	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	

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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

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

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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)	\$ 11.46	05/17/2007	05/17/2007	M	12,500	03/06/2002	03/06/2011	Common Stock	12,500
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
Stock Options	\$ 12.483	05/17/2007	05/17/2007	M	3,593	03/03/2004	03/03/2013	Common Stock	3,593

(Right to buy)

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
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
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
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
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
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

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Pape Kathy L 762 W LANCASTER AVE. BRYN MAWR, PA 19010			Sr. VP Treasurer and Rates	

## Signatures

Brian  
Dingerdissen                      05/18/2007

\_\_\_\_\_  
\*\*Signature of                      Date  
Reporting Person

## 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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