

DEBENEDICTIS NICHOLAS
Form 4
January 26, 2010

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)
01/22/2010

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

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 | 03/03/2009 | 03/03/2009 | G | V 8,466 D \$ 0 0 | | D | |
| Common Stock | 06/16/2009 | 06/16/2009 | G | V 120 D \$ 0 0 | | D | |
| Common Stock | 10/22/2009 | 10/22/2009 | G | V 63 D \$ 0 0 | | D | |
| Common Stock | 12/21/2009 | 12/21/2009 | G | V 1,263 D \$ 0 0 | | D | |
| Common Stock | 12/04/2009 | 12/04/2009 | G | V <u>30,000</u> ⁽¹⁾ D \$ 0 0 | | D | |

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| | | | | | | | | | | |
|----------------------------------|------------|------------|---|---|-------------------------------|---|----------|----------------------------|---|--------------|
| Common Stock Ownership By Spouse | 12/04/2009 | 12/04/2009 | G | V | 30,000 | A | \$ 0 | 0 | I | Spouse |
| Common Stock | 12/18/2009 | 12/18/2009 | G | V | <u>120,000</u> ⁽²⁾ | D | \$ 0 | 0 | D | |
| Common Stock-GRAT | 12/18/2009 | 12/18/2009 | G | V | 120,000 | A | \$ 0 | 120,000 | I | GRAT |
| Common Stock Ownership By Spouse | 12/21/2009 | 12/21/2009 | G | V | <u>30,000</u> ⁽³⁾ | D | \$ 0 | 0 | I | Spouse |
| Common Stock-GRAT | 12/21/2009 | 12/21/2009 | G | V | 30,000 | A | \$ 0 | 30,000 | I | GRAT-Spouse |
| Common Stock | 01/22/2010 | 01/22/2010 | A | | <u>22,000</u> ⁽⁴⁾ | A | \$ 17.14 | 476,655 | D | |
| Common Stock - Ira | | | | | | | | 3,747.18 ⁽⁵⁾ | D | |
| Common Stock - Ira | | | | | | | | 2,996.47 ⁽⁶⁾ | I | IRA - Spouse |
| Common Stock 401k | | | | | | | | 13,281.7346 ⁽⁷⁾ | I | 401k |

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 | \$ 17.14 | 01/22/2010 | 01/22/2010 | A | 55,000 ⁽⁸⁾ | 01/22/2011 | 01/22/2020 | Common Stock | 55,000 |

Buy)

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

/s/ Brian Dingerdissen, attorney-in-fact for Mr.
DeBenedictis

01/26/2010

__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) This transaction involves a gift of 30,000 shares by the reporting person to his spouse.
On December 18, 2009, the reporting person contributed 120,000 shares to a grantor retained annuity trust (the "GRAT). These shares
- (2) were previously reported as directly beneficially owned by the reporting person but are now reported as indirectly beneficially owned by the reporting person by virtue of his serving as trustee of the GRAT and his pecuniary interest in the retained annuity provided therein.
On December 21, 2009, the reporting person's spouse contributed 30,000 shares to a GRAT. These shares are reported as indirectly
- (3) owned by the reporting person by virtue of his spouse serving as trustee of the GRAT and her pecuniary interest in the retained annuity provided therein.
- (4) Grant of 22,000 shares of restricted stock which vest one-third each year on the anniversary of the grant, subject to meeting performance criteria.
- (5) Includes 190.585 shares acquired under the Issuer's dividend reinvestment plan since the date of the reporting person's last ownership report.
- (6) Includes 70.27 shares acquired under the Issuer's dividend reinvestment plan since the date of the reporting person's last ownership report.
- (7) Since the date of the reporting person's last ownership report, the reporting person acquired 208.0746 shares under the Issuer's 401k Plan.
- (8) Grant of 55,000 shares of stock options which vest one-third each year on the anniversary of the grant.

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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