
News Release

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FOR IMMEDIATE RELEASE

YORK WATER COMPANY ANNOUNCES THREE MONTHS EARNINGS

York, Pennsylvania, May 7, 2010: The York Water Company's (NASDAQ:YORW) President, Jeffrey R. Hines, announced today the Company's financial results for the first quarter of 2010.

President Hines reported that first quarter operating revenues of \$9,016,000 increased \$242,000, and net income of \$1,839,000 increased \$342,000 compared to the first quarter of 2009. Higher water revenues due to growth in the customer base, an increase in the Distribution System Improvement Charge (DSIC), and lower expenses, caused the majority of the increase in net income. DSIC is a Pennsylvania Public Utility Commission allowed charge that water utilities collect from customers for the replacement of aging infrastructure. Reduced retirement costs and administrative expenses, lower interest expense due to a reduction in outstanding debt, and lower distribution system maintenance costs made up most of the reduced expenses compared to first quarter 2009. The 2009 operating expenses included a one-time vacation accrual adjustment that resulted in a reduction in net income of \$152,000 compared to 2010. Earnings per share for the three-month period increased \$0.02 over the same period last year.

During the first three months of 2010, the Company invested \$1.5 million in construction projects. The majority of the construction expenditures were for upgrades and additions to our current facilities as well as various replacements of aging infrastructure. The Company plans to continue to invest in infrastructure at a rate necessary to ensure a safe, adequate and reliable supply of drinking water.

**Three Months Ended
March 31
In 000's (except per share)**

	<u>2010</u>	<u>2009</u>
Operating Revenues	\$9,016	\$8,774
Net Income	\$1,839	\$1,497
Average Number of Common Shares Outstanding	12,571	11,374
Basic Earnings per Common Share	\$0.15	\$0.13
Dividends Paid Per Common Share	\$0.128	\$0.126

This news release may contain forward-looking statements regarding the Company's operational and financial expectations. These statements are based on currently available information and are subject to risks, uncertainties, and other events which could cause the Company's actual results to be materially different from the results described in this statement. The Company undertakes no duty to update any forward-looking statement.

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