

NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY

CURRENT ACTIVITIES, OPERATIONS AND ACCOMPLISHMENTS

The operations of the New York City Municipal Water Finance Authority (“NYW”) consist of carrying out the requirements of its indenture and other governing documents. NYW finances the ongoing capital needs of the water and sewer system of the City of New York (the “System”) with the proceeds of its commercial paper notes and long-term bonds, which are used to reimburse the City of New York’s general fund for the capital expenditures incurred on behalf of the System. NYW complies with federal tax law to preserve the tax exemption of its debt. NYW also maintains various contractual obligations necessary to achieve efficient and cost-effective financing and administers its outstanding debt and investments portfolio by monitoring and directing application of funds to meet debt service on its bonds and commercial paper notes.

Despite the highly volatile market conditions, since the beginning of Fiscal Year 2009, NYW closed four long-term bond transactions and issued \$200 million of tax-exempt extendible municipal commercial paper notes Series 8.

On July 23, 2008, after closely monitoring developments in the auction rate market, NYW refunded its remaining auction rate bonds by issuing \$334 million of fixed rate Fiscal 2009 Series AA Second General Resolution Bonds.

On August 7, 2008, NYW closed two new money bond series including \$200.9 million of variable rate Fiscal 2009 Series BB and \$150.1 million of fixed rate Fiscal 2009 Series CC Second General Resolution Bonds.

On October 29, 2008, NYW successfully issued \$536 million of fixed rate new money bonds. The Fiscal 2009 Series A Bonds were issued under the General Resolution.

Additional information about NYW’s commercial paper program and its long-term debt can be found in the Investor Information section of this website.