

FOR IMMEDIATE RELEASE

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**NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY
ANNOUNCES SUCCESSFUL SALE OF
\$326 MILLION OF NEW MONEY BONDS**

The New York City Municipal Water Finance Authority ("NYW") announced today the successful sale of \$326 million of second resolution fixed-rate, tax-exempt new money bonds.

During the two-day retail order period, which began on Tuesday, December 2, 2008, and continued concurrently with the institutional order period today, NYW received approximately \$190 million of retail orders. Yields ranged from 5.29% in the 2023 maturity to 6.125% in the 2040 maturity.

Today's sale was led by book-running senior manager Merrill Lynch & Co., with M.R. Beal & Company, DEPFA First Albany Securities LLC, and Siebert Brandford Shank & Co., LLC, serving as co-senior managers.

The proceeds of the sale will be used to finance the ongoing capital improvements to the New York City water and sewer system and to defease a portion of its commercial paper notes.

Standard & Poor's rates NYW's second resolution bonds at AA+. Moody's Investors Service rates NYW's second resolution bonds at Aa3. Fitch Ratings rates NYW's second resolution bonds at AA.