



New York City Municipal Water Finance Authority

255 Greenwich Street, 6th Floor
New York, NY 10007
Tel: (212) 788-5889
Fax: (212) 788-9197
www.nyc.gov/nyw

FOR IMMEDIATE RELEASE

Date: May 30, 2000

NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY ANNOUNCES RATING UPGRADES FROM THREE CREDIT RATING AGENCIES

The New York City Municipal Water Finance Authority (the "Authority") announced today that Standard and Poor's Rating Group upgraded the Authority from "A" with a positive outlook to "AA" with a stable outlook marking the first time that a Standard & Poor's water and sewer rating has recognized enhancement by additional layers of structured security strong enough to warrant a rating upgrade. On May 25, 2000 Fitch IBCA and its wholly-owned subsidiary Duff & Phelps Credit Rating Company each upgraded the Authority from "AA minus" to "AA" after completing a comprehensive review of the U.S. municipal water and sewer sector ratings. This review caused Fitch IBCA to reconsider the degree of extra protection for bondholders provided by the Authority's unique structure, compared to those typically present in the sector. Previously, on March 6, 2000 Moody's Investors Service upgraded the Authority from "A1" to "Aa3". Moody's cited improved customer collections, strong legal provisions for bondholder protection and progress in reaching milestones established by the Catskill/Delaware watershed filtration avoidance agreement while making progress that moves the Croton watershed closer to its filtration goal. Mayor Rudolph Giuliani stated that "the strong bond ratings for New York Water from all four rating agencies reflect their confidence in the strength of management of the City's water and sewer system." City Budget Director Adam L. Barsky added that "the capital improvement program of the City's water and sewer system is both affordable and achieving all federal and state environmental mandates." Tomorrow, the Authority will bring to the market approximately \$330,000,000 of fixed rate tax exempt bonds by negotiated sale with PaineWebber as senior managing underwriter. During the week of June 19, 2000, the Authority will bring to the market approximately \$100,000,000 of variable rate tax exempt bonds by negotiated sale with Merrill Lynch as initial placement agent and ongoing remarketing agent.