



New York City Municipal Water Finance Authority

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NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY ACHIEVES LOWEST RELATIVE BORROWING COST IN ITS 15-YEAR HISTORY

The New York City Municipal Water Finance Authority ("NYW" or the "Authority") today announced the successful sale of its Fiscal 2001 Series A Bonds, consisting of \$324,000,000 of fixed-rate, tax-exempt bonds. This is the second bond sale by NYW since its ratings were increased in the spring of 2000. On May 30, 2000, Standard and Poor's Rating Group upgraded the Authority's credit rating from "A" with a positive outlook to "AA" with a stable outlook. On May 25, 2000, Fitch IBCA and its wholly-owned subsidiary Duff & Phelps Credit Rating Co. each upgraded the Authority from "AA minus" to "AA". Previously, on March 6, 2000 Moody's Investors Service upgraded the Authority from "A1" to "Aa3". The interest rate on the NYW bonds declined relative to the triple-A MMD index from 24 over the MMD in NYW's last financing in May, 2000 to 13 over the MMD today, equaling the best (lowest) relative cost in NYW's 15-year history. The true interest cost on the financing was approximately 5.66%. The structure was a single term bond maturing in 2033. Book-running senior manager Merrill Lynch & Co. led the transaction, with PaineWebber Incorporated & First Albany Corporation serving as co-senior managers. The Authority received approximately \$630 million in orders including \$308 million in priority orders from institutional investors. Proceeds from NYW bonds are used to fund eligible capital construction projects for New York City's water and water pollution control systems.