NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY CROSSOVER REFUNDING AND NEW MONEY BONDS SELL TO RECEPTIVE MARKET, IMPROVED YIELDS, GENERATE $16 MILLION IN PV SAVINGS

The New York City Municipal Water Finance Authority ("NYW") today announced the successful sale of its Fiscal 2001 Series C, D and E Bonds, consisting of $449 million in bonds, including approximately $340 million in refunding bonds and an additional $109 million in new money bonds. Today's refinancing achieved NYW's savings target on refundings of present value savings of over 5% of the par amount of bonds issued by NYW, for a total savings of over $16 million. Yields (interest rates) on individual maturities continued to be at historical lows relative to other comparable issuers and were roughly equal throughout the maturity range to yields on the New York City Transitional Finance Authority, one of the best trading issuers in the market. The yields ended up 03 to 12 basis points higher in the various maturities compared to the MMD Triple-A Scale. There were three components to today's sale: fixed-rate tax-exempt refunding bonds, crossover refunding bonds, and fixed-rate tax-exempt new money bonds. The structure on the $255 million fixed-rate tax exempt bonds included serial bonds from 2001 through 2019, a single term bond maturing in 2025, and zero-coupon Capital Appreciation Bonds (CABS) in 2017, 2018, 2020 and 2021. Yields on the serial and term bonds ranged from 3.135 percent in 2003 to 5.37 percent in 2025, and yields on the CABS ranged from 5.38 percent in 2018 to 5.53 percent in 2021. The structure on the $85 million crossover refunding bonds included serial bonds from 2011 through 2025, and a single term bond in 2033. Yields ranged from 4.61 percent in 2011 to 5.43 percent in 2033. The structure on the $109 million fixed-rate new money bonds included a single term bond with a maturity in 2033 at a yield of 5.43 percent.

The Authority received almost $500 million in priority orders from institutional investors for the refunding bonds. All but the 2031 and 2033 term bonds were oversubscribed 1-to-3 times. Consequently, in the final pricing, yields were reduced by 01 to 03 basis points in thirteen maturities. The yields in the 2031 and 2033 term bonds were increased by 03 basis points. The result was a net reduction of approximately 01 basis point for the overall financing.

Merrill Lynch & Co was the book-running senior manager on the fixed-rate tax-exempt refunding bonds and the crossover refunding bonds, with First Albany Corporation and UBS PaineWebber Inc. serving as co-senior managers on these portions of today's transaction. First Albany Corporation served as book-running senior manager on the fixed-rate new money bonds, with Merrill Lynch & Co. and UBS PaineWebber Inc. serving as co-senior managers on this portion of today's transaction.
The Authority is also selling $180 million in variable-rate current refunding bonds to be sold on or about the closing date, May 15, 2001. First Albany Corporation will be the book-running senior manager and remarketing agent on this portion of the sale.