NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY ANNOUNCES UPCOMING $225 MILLION DEAL

The New York City Municipal Water Finance Authority ("NYW") announced today that it will issue $225 million in fixed-rate tax-exempt new money bonds, expected to price on or about Tuesday June 12, 2001. UBS PaineWebber will serve as the book-running senior manager with Merrill Lynch & Co. and First Albany Corporation serving as co-senior managers. The bond proceeds will be used to defease $200 million in NYW commercial paper currently outstanding, the proceeds of which funded projects in the ongoing Capital Improvement Program of the Water System of the City. The NYW bond issue is expected to close on or about July 2, 2001.

Moody's Investors Service rates NYW at Aa2, Standard & Poor's rates NYW at AA, and Fitch, Inc. rates NYW at AA.

These bonds are expected to be sold in a common plan of financing with additional bonds in an amount up to $220 million to be placed with the New York State Environmental Facilities Corporation ("EFC") in connection with a sale of bonds by EFC during the following week, the week of June 18, 2001. For more information about the EFC bonds, please contact James T. Gebhardt, Chief Financial Officer at EFC at (518) 457-0886.