



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 18, 1999

STRONG INVESTOR INTEREST IN NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY REFUNDING INCLUDING FIRST EVER TAXABLE ISSUANCE

The New York City Municipal Water Finance Authority ("NYW" or the "Authority") today announced the successful sale of its Fiscal 1999 Series B & C bonds, consisting of \$221 million of fixed-rate, tax-exempt revenue bonds and \$13 million of taxable bonds.

The tax-exempt portion of the transaction contained both refunding and new money components. The true interest cost on the tax-exempt component of the financing was approximately 5.16 percent. Interest rates (yields) on serial maturities ranged from 3.85 percent in 2002 to 4.90 percent in 2013. The final maturity of 2029 had a yield of 5.29 percent. The tax-exempt component also contained Capital Appreciation Bonds with maturities from 2013 to 2020, with yields to maturity ranging from 5.20 percent in the 2013 maturity to 5.52 percent in the 2020 maturity. The tax-exempt transaction was led by book-running senior manager Merrill Lynch & Co. in cooperation with rotating senior managers First Albany Corporation and PaineWebber Incorporated. In addition, NYW's fourteen-member co-senior and co-manager underwriting group participated.

The taxable portion of the issuance represents the first taxable bond issuance ever by the Authority and was offered through a competitive sealed bid among NYW managers. PaineWebber Incorporated won the bidding for all three taxable maturities.

The Authority received approximately \$500 million in priority orders from institutional investors, with six of the maturities oversubscribed. All of the \$221 million tax-exempt bonds were insured by Financial Security Assurance ("FSA"). The Authority's uninsured taxable bonds were assigned an A1 rating by Moody's Investors Service, an A from Standard and Poor's, and AA- by Fitch IBCA and AA- from Duff & Phelps. Proceeds from NYW bonds are used to fund eligible capital construction projects for New York City's water and water pollution control systems.