NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY SELLS $216 MILLION IN NEW MONEY BONDS IN MIXED MARKET

The New York City Municipal Water Finance Authority ("NYW") today announced the successful sale of its $210 million tax-exempt, fixed-rate Fiscal 2002 Series G Bonds. Yields (interest rates) on individual maturities continued to be at or near historical lows relative to other comparable issuers. The yields were 13 to 18 basis points higher in the various maturities compared to the MMD Triple-A Scale, which is consistent with the performance of NYW in its most recent transactions over the summer and before the terrorist attack on New York City on September 11, 2001.

The structure of the bond sale included a $116 million term bond maturing in 2032, with a yield-to-maturity of 5.18 percent, and an FSA-insured $100 million term bond maturing in 2034 with a yield-to-maturity of 5.13 percent. Despite a large increase in interest rates in the US Treasury market, NYW only needed to increase its yields in the final pricing by 01 basis point on the insured maturity and 02 basis points on the uninsured maturity. The Authority received almost $300 million in orders from the senior managers and the selling group syndicate, including approximately $100 million in institutional orders after the final pricing.

Merrill Lynch & Co. was the book-running senior manager on the bonds, with First Albany Corporation and UBS PaineWebber Inc. serving as co-senior managers on today's transaction. NYW will use the proceeds of today's sale to defease outstanding commercial paper.

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