NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY
ANNOUNCES $250 MILLION SALE

The New York City Municipal Water Finance Authority ("NYW") announced today that it intends to sell approximately $250 million of fixed-rate, tax-exempt new money bonds during the week of January 16, 2006. The financing will use NYW's underwriting syndicate, with special bracket senior manager Siebert Branford Shank serving as book-running senior manager for the transaction, with First Albany Capital Inc., Goldman, Sachs & Co., Merrill Lynch & Co. and UBS Financial Services Inc. serving as co-senior managers.

There is expected to be a one day retail order period for serial maturities from 2007 to 2016, which will be issued under NYW's second resolution. NYW also expects to issue longer-dated term-bonds under its first resolution.

The proceeds will be used to redeem outstanding commercial paper, the proceeds of which were used to finance the ongoing capital improvement plan of the New York City Department of Environmental Protection.

Standard & Poor's rates NYW’s first resolution bonds at AA+ and NYW’s second resolution bonds at AA. Moody’s Investors Service rates NYW’s first resolution bonds at Aa2 and NYW’s second resolution bonds at Aa3. Fitch Ratings rates NYW’s first and second resolution bonds at AA.