

## Deal Spotlight: Utilities

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### Jersey City Municipal Utilities Authority, NJ

\$17,000,000

Ratings: Aa3/AA/AA

UW: Wachovia Bank, N.A.

Dated Date: 12/22/05

The Jersey City Municipal Utilities Authority (the “Authority”) issued Water Revenue and Sewer Revenue Bonds in the amount of \$17mm to refund existing 1993, 1998 and 2003 debt. The systems revenues are cross-collateralized and ultimately, all system revenue bonds are secured by the General Obligation pledge of Jersey City (the “City”).

The Authority is the sole provider for water and sewer services to the City and provides water services to several large consumers, including surrounding towns. The City, the largest municipality in New Jersey with a population of 240,000, is on the west side of the Hudson River, directly across from lower Manhattan in New York City.

The bonds are secured by a net revenue pledge of the Authority and a general obligation pledge from the City. Approved rate increases, flexibility to adjust annual Franchise Payments due the City and the ultimate reliance on the GO of the City for debt service payments are important credit attributes.

The Authority accessed the market at lower interest rates based on Radian’s “AA” ratings. Attached are sample maturities with their spread to the applicable Treasury security.

<b>Maturity</b>	<b>2010</b>	<b>2015</b>
<b>Coupon</b>	5.38%	5.60%
<b>Yield</b>	5.38%	5.60%
<b>Spread to Treasuries (bps)</b>	+ 95	+ 110

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