

In the opinion of McManimon & Scotland, L.L.C., Bond Counsel, interest on the Water Revenue Bonds, Series 2003 is not excludable from gross income for federal income tax purposes under current law. In the opinion of Bond Counsel, interest on the Water Revenue Bonds, Series 2003 and any gain from the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act. See "TAX EXEMPTION" herein.

\$84,665,000

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY

Hudson County, New Jersey

Water Revenue Bonds consisting of

\$22,975,000 Series 2003A (Refunding Series) and

\$61,690,000 Series 2003B (Franchise Acquisition Series)

Federally Taxable

Dated: May 16, 2003

**Maturity Date: May 15 in each of the years
as shown on the inside cover**

The \$84,665,000 Water Revenue Bonds consisting of \$22,975,000 Series 2003A (Refunding Series) and \$61,690,000 Series 2003B (Franchise Acquisition Series) (collectively, the "2003 Revenue Bonds") will be issued by the Jersey City Municipal Utilities Authority (the "Authority" and formerly known as the Jersey City Sewerage Authority) in fully registered form without coupons in denominations of \$5,000 each or any integral multiple thereof, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the 2003 Revenue Bonds. See "Book-Entry Only System" herein. The Trust Company Bank, Jersey City, New Jersey will serve as Trustee, Paying Agent and Registrar for the 2003 Revenue Bonds (the "Trustee," "Paying Agent" and "Registrar"). Interest on the 2003 Revenue Bonds will be payable semiannually on May 15, and November 15, of each year until maturity, beginning on November 15, 2003 to the registered owner of record as of May 1 and November 1 next preceding such interest payment date as shown on the registration books of the Authority maintained by the Registrar. The 2003 Revenue Bonds shall mature and bear interest as set forth in the table on the inside cover.

The 2003 Revenue Bonds are not subject to optional redemption prior to their stated maturities. Certain of the 2003B Bonds are subject to mandatory redemption as indicated herein.

Scheduled payments of the principal of and interest on the Bonds when due will be guaranteed by a municipal bond insurance policy to be issued simultaneously with the delivery of the Bonds by MBIA Insurance Corporation.



The 2003 Revenue Bonds are being issued to provide funds for (i) the defeasance of the Authority's outstanding 1998 Water Bonds maturing in the years 2004 through 2008, (ii) the payment to the City to extend the Water Franchise Service Agreement (as hereinafter defined) through March, 2028, (iii) capitalized interest on the 2003 Bonds through May 15, 2005, (iv) deposits to the Water Bond Reserve Fund to fund the Water Bond Reserve Fund Requirement under the Resolution and the Surplus Fund Requirement under the Sewer Bond Resolution and (v) payment of the Authority's cost of issuance for the 2003 Bonds and the Authority's and City's costs associated with the negotiation of the extension to the Water Franchise and Service Agreement (as hereinafter defined).

THE 2003 REVENUE BONDS ARE DIRECT AND SPECIAL OBLIGATIONS OF THE AUTHORITY. THE AUTHORITY HAS NO POWER TO LEVY OR COLLECT TAXES, AND THE 2003 REVENUE BONDS ARE NOT A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY, THE CITY (EXCEPT TO THE EXTENT SET FORTH IN THE WATER FRANCHISE AND SERVICE AGREEMENT) OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF NEW JERSEY, OTHER THAN THE AUTHORITY.

The 2003 Revenue Bonds are offered when, as and if issued by the Authority, subject to the approving legal opinion of McManimon & Scotland, L.L.C., Newark, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by its General Counsel, Riker, Danzig, Scherer, Hyland & Perretti LLP, Morristown, New Jersey and for the City by its Corporation Counsel as well its Co-Bond Counsels, DeCotiis, Fitzpatrick, Cole and Wisler, LLP, Teaneck and Trenton, New Jersey and Gluck Walrath & Lanciano, LLP, Trenton, New Jersey and for the Underwriter's by their co-counsels, Hunt, Hamlin & Ridley, Newark, New Jersey and Keane, Brady and Burns, Jersey City, New Jersey. It is expected that the 2003 Revenue Bonds will be available in definitive form for delivery to DTC in New York, New York, on or about May 16, 2003.

M♦R♦BEAL & COMPANY

Roosevelt & Cross, Inc. & Associates

A.G. Edwards and Sons, Inc.

Dated: May 7, 2003