



Variable Rate Debt: Past and Present

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History of Variable Rate Debt at DWSD



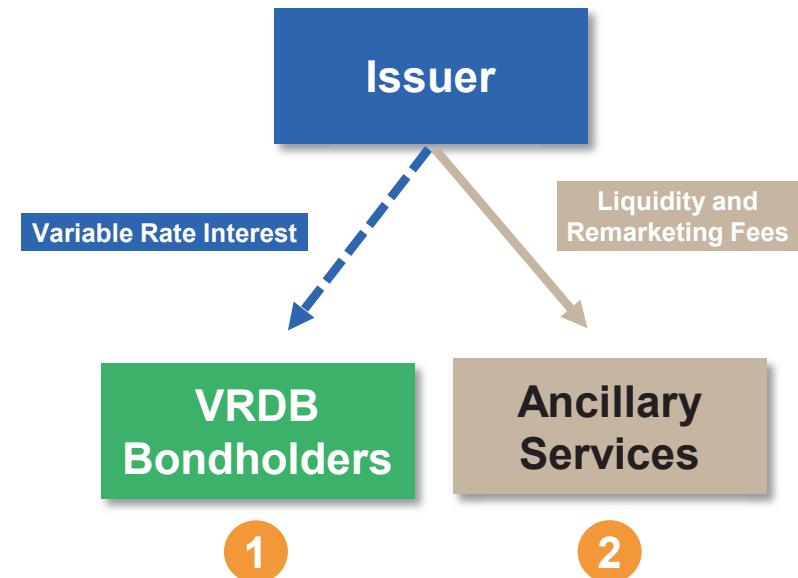
DWSD Debt Portfolio in the 2000s

- Like many municipal utilities in the 2000s, DWSD maintained a portion of the debt portfolio in a variable rate mode
 - In 2008, DWSD had variable rate debt outstanding on Water System of \$138 million (6% of total) and Sewer System of \$760 million (30% of total)
 - Most of variable rate debt was sold as **Variable Rate Demand Bonds**, with backup liquidity provided through **Standby Bond Purchase Agreements** with highly rated financial institutions
- DWSD used **interest rate swap** agreements that were designed to manage interest-rate risk related to the variable rate portfolio and lower overall cost of funds versus traditional fixed rate debt
 - Swaps were intended to work in tandem with variable rate debt to create **synthetic fixed rates**, with net percentage of variable-rate debt close to zero after considering the matched swaps
 - Swap portfolio contained both active and forward-starting swaps, which were intended to hedge planned future variable rate issuance
- DWSD also purchased **bond insurance** on variable rate debt and swap portfolio to provide additional assurance to investors and financial institution counterparties



Overview of Variable Rate Demand Bonds (“VRDBs”)

- Variable Rate Demand Bonds (“VRDBs”) are long-term bonds with interest rates that reset periodically at short-term rates
 - Rates are set daily or weekly by a remarketing agent
- Defining feature is an investor demand option, exercisable daily or weekly
 - Investor can require the issuer to repurchase the bonds at the full principal amount plus accrued interest
- Remarketing and liquidity support
 - Remarketing agent seeks to place tendered bonds to new investors
 - If bonds cannot be remarketed, a bank-provided liquidity facility funds the purchase
- Two basic types of Liquidity Facilities:
 - Letter of Credit:** Unconditional commitment by the bank, including in the event of issuer downgrade, bankruptcy, or default
 - Standby Bond Purchase Agreement:** Conditional commitment with termination rights if the issuer is downgraded or defaults
- Key risk consideration:
 - VRDBs rely on successful ongoing remarketing and the continued availability of liquidity support



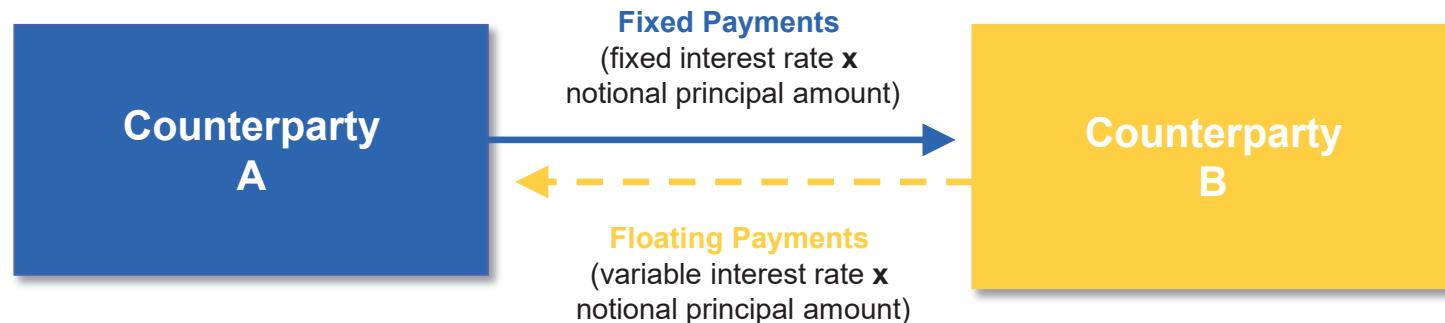
1. Issuer pays variable interest rate to bondholders
2. Issuer pays for liquidity support and remarketing on the VRDBs to ensure marketability

Total cost is the interest payments plus the costs of the ancillary services



Overview of Interest Rate Swaps

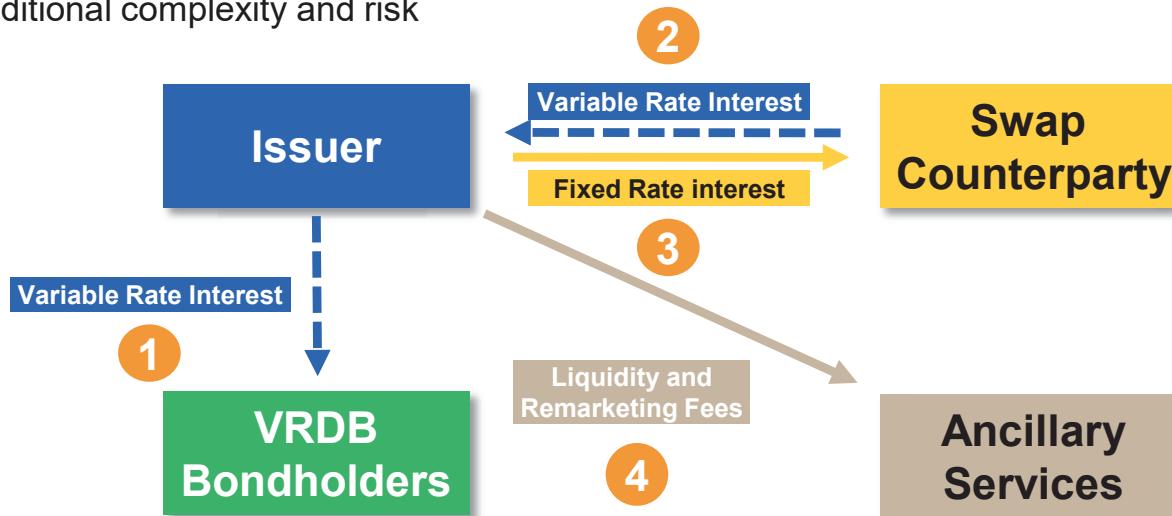
- ◆ An interest rate swap is a contract between two parties to exchange interest rate payments at specified dates in the future
- ◆ In municipal applications, swaps typically involve exchanging a fixed rate for a variable rate
- ◆ Interest payments are calculated by applying an interest rate to a notional principal amount
 - The principal amount in a swap is “notional”, meaning it is not actually exchanged but is only used to calculate interest payments
- ◆ Swaps may be terminated early, either optionally or mandatorily
 - Early termination can result in a payment owed or received, depending on market value of the swap at the time
 - Mandatory termination provisions commonly include default or credit events





Sample Synthetic Fixed Rate Debt Mechanics

- ◆ Synthetic fixed rate debt combines variable rate debt (such as a VRDB) and an interest rate swap to replicate the economics of a fixed rate obligation
- ◆ Historically, synthetic fixed rate structures have reduced borrowing costs relative to traditional fixed rate debt, while introducing additional complexity and risk



1. Issuer pays variable rate interest to bondholders of the VRDBs
2. Issuer receives variable rate interest payment from swap counterparty that is designed to offset variable rate interest payment to bondholders of the VRDBs
3. Issuer makes a fixed rate interest payment to the swap counterparty
4. Issuer pays for liquidity support and remarketing on the VRDBs to ensure marketability

Total cost is the fixed rate swap payments plus the costs of the ancillary services



DWSD Variable Rate Debt and Swap Portfolio in 2008 – Water System

Variable Rate Debt						
Series	Lien	Capacity	Credit Facility		Renewal/ Rmkt Required	
Water 2003B – CPI Bonds	Second	\$14,250,000	N/A		N/A	
Water 2003C – CPI Bonds	Senior	\$4,335,000	N/A		N/A	
Water 2006B – Weekly VRDB	Second	\$120,000,000	SBPA; DEPFA Bank		8/16/2016	
Interest Rate Swap Agreements						
Series	Effective Date	Termination Date	Paid	Received	Notional ¹	Swap Counterparty
Water 2001-C	6/7/2001	7/1/2026	4.90%	SIFMA	\$113,360,000	Morgan Stanley
Water 2001-C (Offsetting Swap)	5/14/2008	7/1/2026	SIFMA	3.498%	\$113,360,000	Morgan Stanley
Water 2003-B	1/30/2003	7/1/2009	3.02%	CPI + 1.01%	\$1,980,000	Morgan Stanley
Water 2003-B	1/30/2003	7/1/2010	3.31%	CPI + 1.12%	\$2,290,000	Morgan Stanley
Water 2003-B	1/30/2003	7/1/2011	3.55%	CPI + 1.25%	\$2,500,000	Morgan Stanley
Water 2003-B	1/30/2003	7/1/2012	3.74%	CPI + 1.33%	\$2,175,000	Morgan Stanley
Water 2003-B	1/30/2003	7/1/2013	3.87%	CPI + 1.34%	\$2,800,000	Morgan Stanley
Water 2003-B	1/30/2003	7/1/2014	4.00%	CPI + 1.36%	\$2,505,000	Morgan Stanley
Water 2003-C	1/30/2003	7/1/2013	3.87%	CPI + 1.34%	\$2,005,000	Morgan Stanley
Water 2003-C	1/30/2003	7/1/2014	4.00%	CPI + 1.36%	\$2,330,000	Morgan Stanley
Water 2005B	4/1/2005	7/1/2035	4.71%	SIFMA	\$195,000,000	Morgan Stanley
Water 2005B (Offsetting Swap)	5/6/2008	7/1/2035	SIFMA	3.652%	\$195,000,000	Morgan Stanley
Water 2006B	3/1/2007	7/1/2036	5.00%	SIFMA	\$120,000,000	Morgan Stanley
Water Hedge Swap	3/1/2010	7/1/2039	4.93%	SIFMA	\$150,000,000	Morgan Stanley
Water Hedge Swap	3/1/2010	7/1/2039	4.93%	SIFMA	\$50,000,000	SBS Financial
Water Hedge Swap	7/1/2011	7/1/2029	4.87%	SIFMA	\$76,510,000	SBS Financial
Water Hedge Swap (Offsetting Swap)	7/1/2011	7/1/2029	SIFMA	3.998%	\$76,510,000	SBS Financial

1: As of June 30, 2008



DWSD Variable Rate Debt and Swap Portfolio in 2008 – Sewer System

Variable Rate Debt					
Series	Lien	Capacity	Credit Facility		Renewal/ Rmkt Required
Sewage 2001C1 – Weekly VRDB	Senior	\$155,305,000	SBPA; Dexia		1/1/2010
Sewage 2001D – Auction Rate Certificates	Second	\$92,450,000	N/A		N/A
Sewage 2001E – Flexible Rate Mode	Second	\$1,350,000	SBPA; FGIC		10/1/2008 ²
Sewage 2003B – Daily VRDB	Senior	\$150,000,000	SBPA; Dexia		5/22/2008
Sewage 2006D – Floating LIBOR Notes	Senior	\$361,865,000	N/A		N/A

Interest Rate Swap Agreements						
Series	Effective Date	Termination Date	Paid	Received	Notional ¹	Swap Counterparty
Sewage 2001-C1	10/23/2001	7/1/2027	4.43%	SIFMA	\$155,305,000	UBS AG
Sewage 2001-C2	10/23/2001	7/1/2029	4.47%	SIFMA	\$123,625,000	UBS AG
Sewage 2001-C2 (Offsetting Swap)	5/8/2008	7/1/2029	SIFMA	3.578%	\$123,625,000	UBS AG
Sewage 2001-D1	7/1/2008	7/1/2032	4.66%	SIFMA	\$20,000,000	Loop
Sewage 2001-D2	7/1/2012	7/1/2032	4.83%	SIFMA	\$72,450,000	Loop
Sewage 2003-B	5/22/2006	7/1/2033	3.84%	SIFMA + 0.1%	\$150,000,000	UBS AG
Sewage 2006-A	8/10/2006	7/1/2036	4.55%	SIFMA	\$125,000,000	Loop
Sewage 2006-A (Offsetting Swap)	5/7/2008	7/1/2036	SIFMA	3.6908%	\$125,000,000	Loop
Sewage 2006-D	12/14/2006	7/1/2032	4.11%	67% of LIBOR + 0.60%	\$361,315,000	UBS AG
Sewage Hedge Swap	3/1/2010	7/1/2039	4.93%	SIFMA	\$56,250,000	SBS
Sewage Hedge Swap	3/1/2010	7/1/2039	4.93%	SIFMA	\$168,750,000	Morgan Stanley

1: As of June 30, 2008

2: Assumed dated based on DWSD's 2008/2009 financial statements

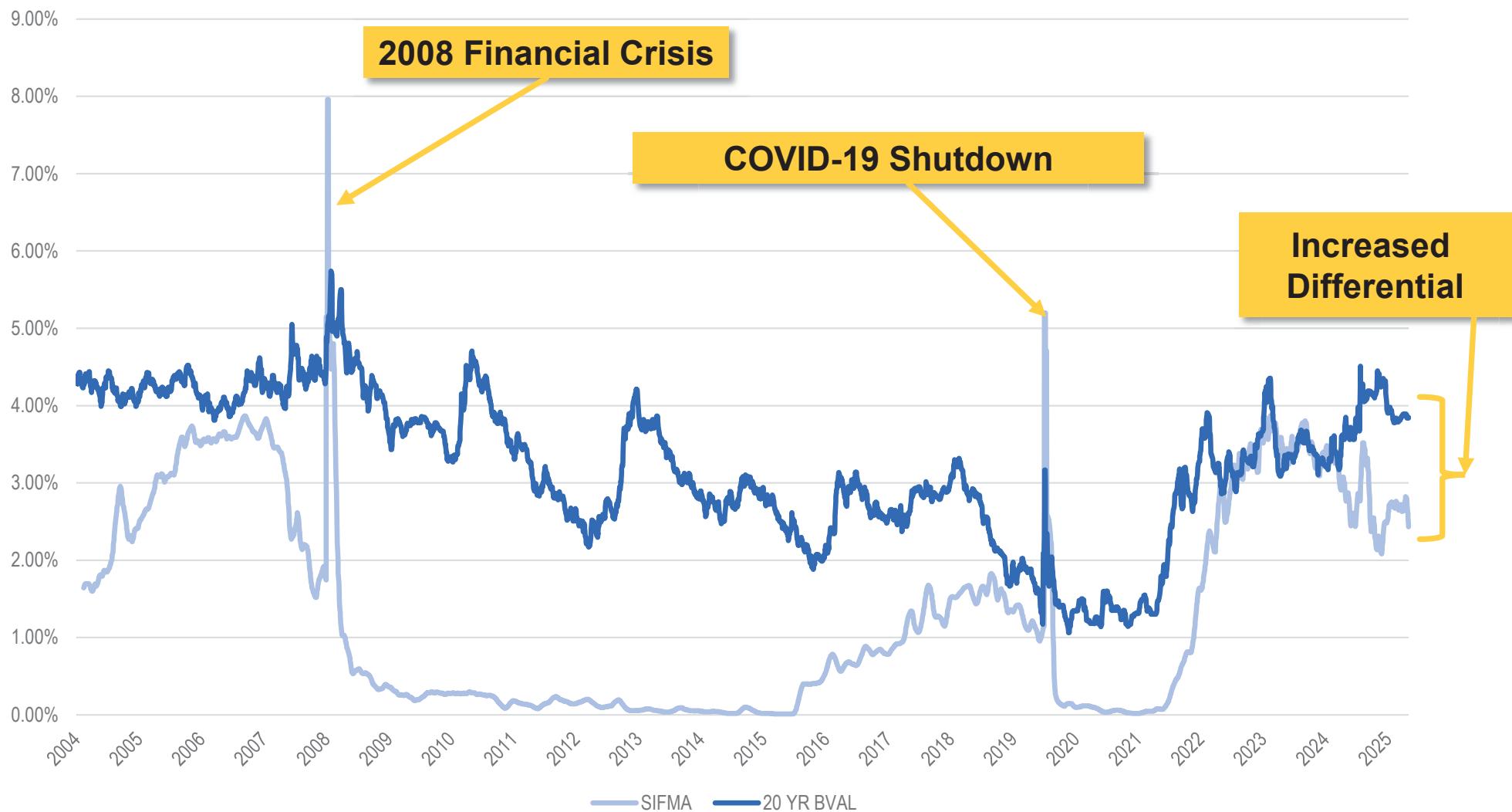


2008 Financial Crisis and Aftermath: What Went Wrong?

- Multiple market forces converged, disrupting both variable rate bond markets and bank-provided liquidity support
- Investors sold most liquid holdings and moved to cash, causing demand for variable rate bonds to collapse
- Failed remarketing and market dislocation led to sharp increases in VRDB interest costs, which created a mismatch between the variable rate bond payments and the variable payments received under associated swap agreements
- Bank credit deterioration undermined liquidity and credit support, making existing facilities unreliable and replacements unavailable
 - Market for liquidity support became significantly constrained, forcing restructurings of outstanding variable rate debt
- As the City's credit position weakened amid broader economic stress, termination provisions in liquidity and swap agreements were triggered
 - Severe interest rate dislocations produced substantially negative swap values
- **Structures originally intended to manage interest rate risk instead amplified losses as DWSD was forced to refinance under distressed market conditions**



Variable Rates Can Be Volatile During Times of Stress, but Typically Lower Cost



Source: Bloomberg and Thomson Reuters



Liquidity Provider Ratings Deteriorated Quickly During Crisis

January 2008

FGIC

Aaa from Moody's

January 2011

FGIC

NYS Rehabilitation Proceedings

DB DEPFA BANK

A2 from Moody's

DB DEPFA BANK

Nationalized

DEXIA

Bank

Aa1 from Moody's

DEXIA

Bank

Government Bailout and Winddown



Lessons Learned

- ◆ Sufficient liquidity is the most critical factor when under stress
 - Size variable rate exposure conservatively compared to internal liquidity (cash and short-term investments)
 - Evaluate bank counterparty exposure, if reliant on bank liquidity
 - Maintain strong credit quality to preserve financing flexibility
- ◆ Counterparty risks once considered wholly independent can become systemic and highly correlated
 - Evaluate exposure to bank liquidity amounts and any providers
- ◆ Basis risk, where variable swap payments and variable bond rates diverge, can create significant unexpected cost exposure
 - Avoid overreliance on complex synthetic structures
- ◆ Embedded options held by investors, banks, and issuers can materially change a risk profile, making option features a key consideration in structure selection today
 - Evaluate risk of forced terminations
 - Consider issuer options that reduce risk profile, even if more expensive



Variable Rate Debt Opportunities in 2026

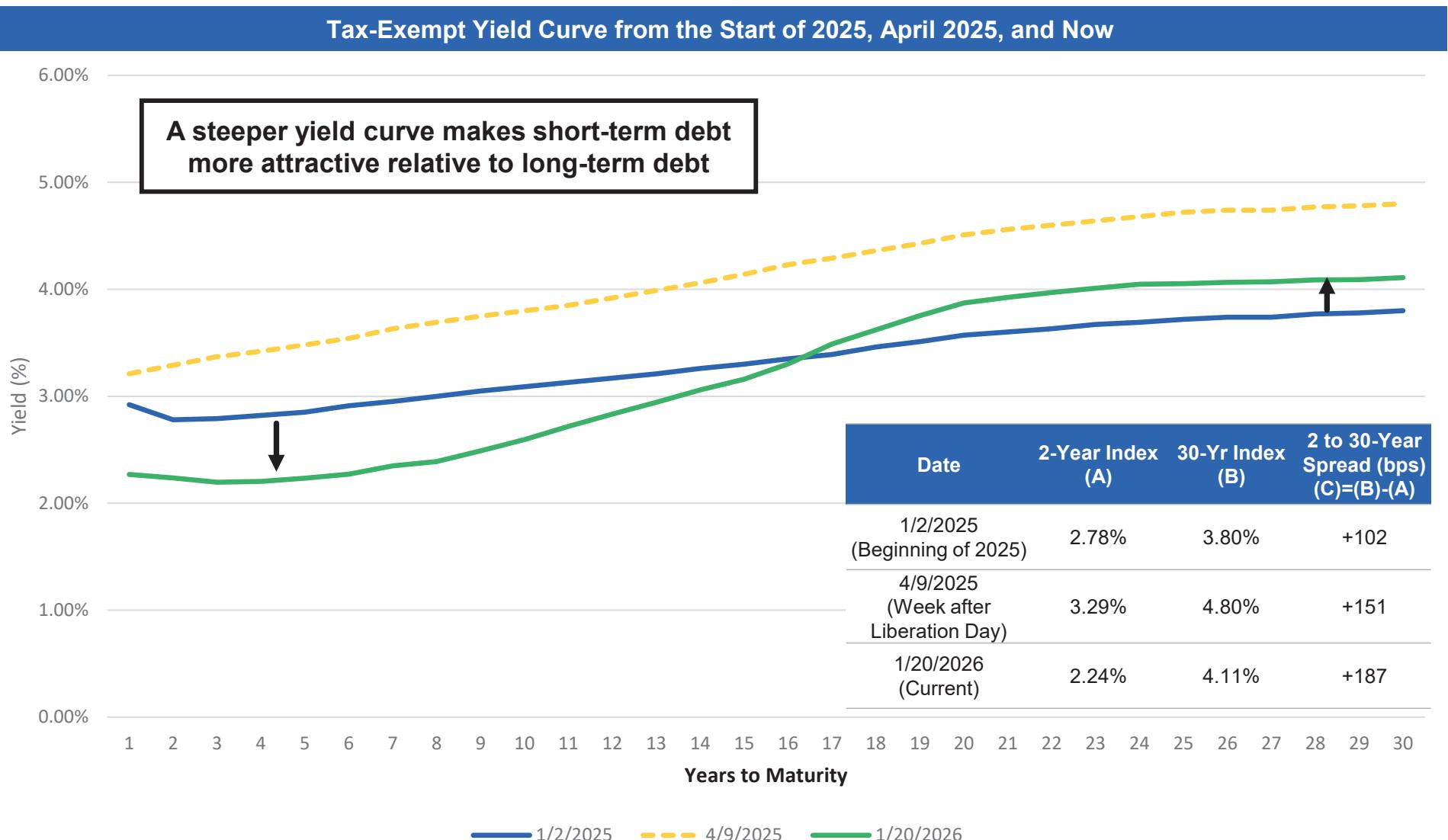


Variable Rate Debt Represents Opportunity for GLWA in 2026

- GLWA is entering a period of unprecedented capital investment period amid structurally higher long-term rates
- Variable rate debt can lower borrowing costs, diversify investors, and reduce reliance on incremental fixed-rate issuance
- Current historically steep yield curve enhances the value of variable rate exposure (expected to steepen further in 2026)
- GLWA has meaningful capacity to increase variable rate debt within policy limits, rating agency guidance, and peer practices
- A broader set of modern variable rate products now offers simpler execution and improved risk profiles versus the past
 - GLWA's financial discipline over its first decade has resulted in improved credit ratings that are important to accessing variable rate products with the best issuer risk profiles



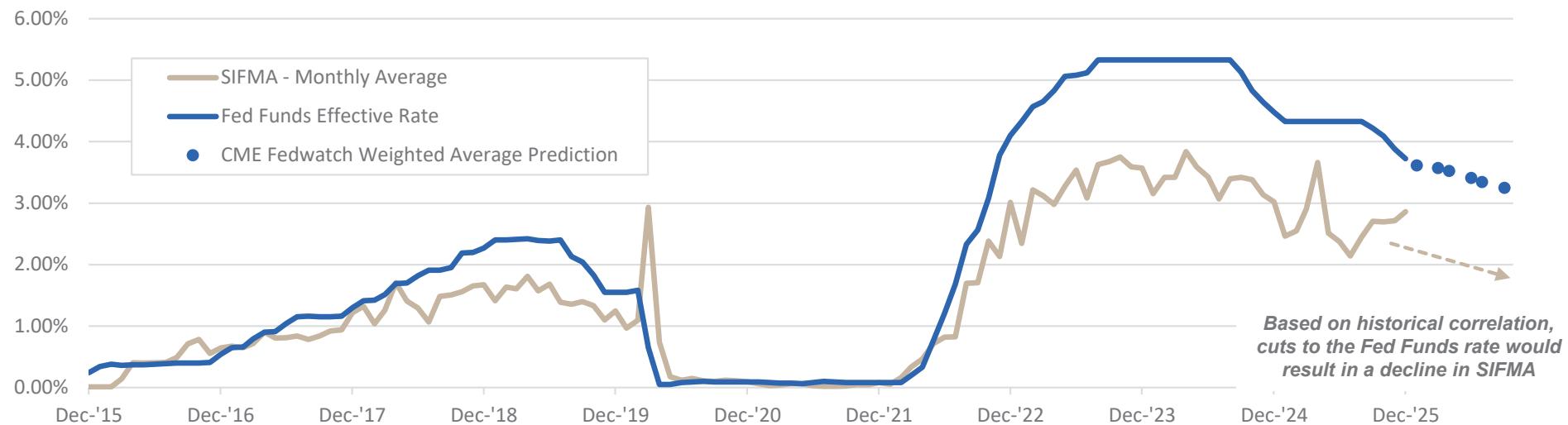
Tax-Exempt Yield Curve Has Steepened Significantly Across Last Year





SIFMA is Highly Correlated with Fed Fund Rate, and Expected to Fall

SIFMA Index vs. Effective Fed Funds Rate Over Past 10 Years



CME FedWatch Tool -- Rate Probabilities by Meeting Date Aggregated with Current Target Rate Range Set by Federal Reserve								
Meeting Date	2.25% - 2.50%	2.50% - 2.75%	2.75% - 3.00%	3.00% - 3.25%	3.25% - 3.50%	3.50 - 3.75%	3.75 - 4.00%	4.00 - 4.25%
1/28/2026	--	--	--	--	4.98%	95.02%	--	--
3/18/2026	--	--	--	--	22.36%	77.64%	--	--
4/29/2026	--	--	--	--	40.98%	59.02%	--	--
6/17/2026	--	--	--	--	85.19%	14.81%	--	--
7/29/2026	--	--	--	12.98%	87.02%	--	--	--
9/16/2026	--	--	--	51.05%	48.95%	--	--	--
10/28/2026	--	--	--	70.98%	29.02%	--	--	--

Source: Federal Reserve Economic Database (FRED) as of January 20, 2026. CME Fedwatch Tool as of January 20, 2026
SIFMA – The Securities Industry and Financial Markets Association Municipal Swap Index is a 7-day high-grade market index comprised of tax-exempt Variable Rate Demand Obligations with certain characteristics.



Projected Regional System Capital Financing Needs Through FY 2030

Projections as presented at the January 9, 2025 meeting of the Audit Committee.

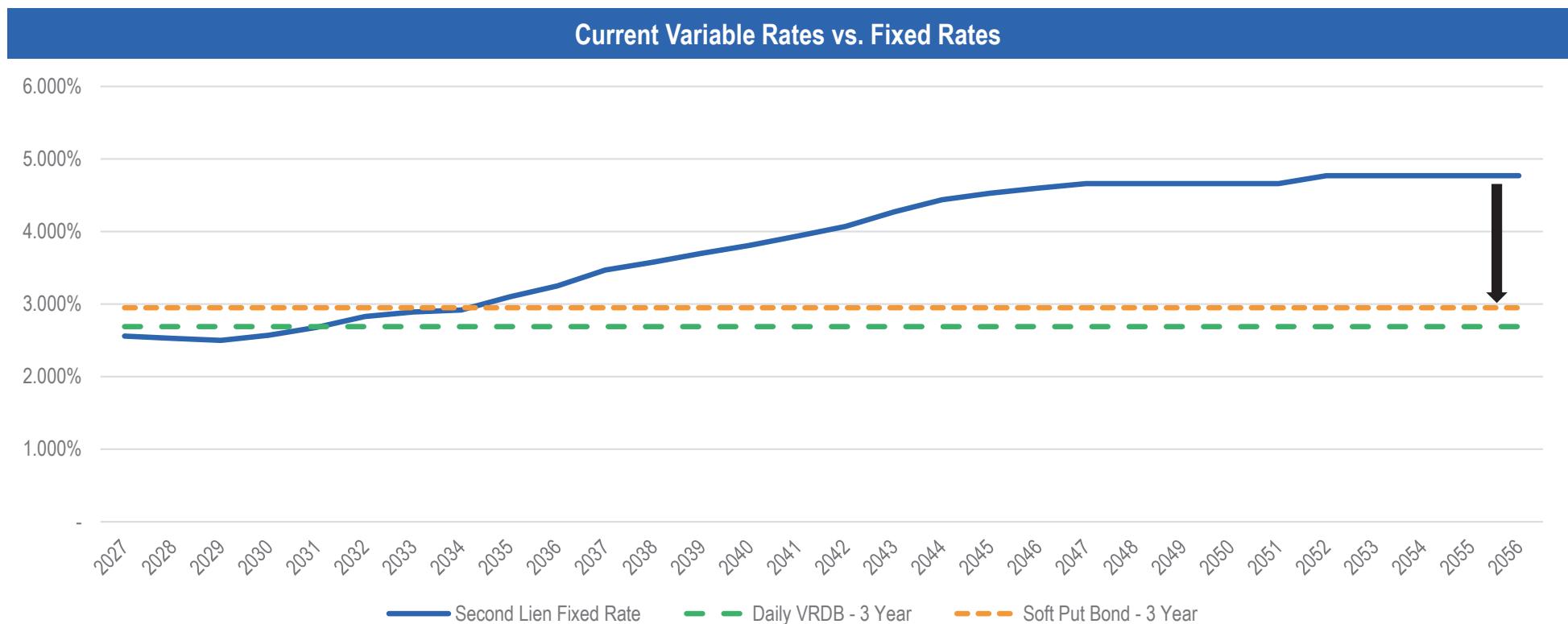
Fiscal Year	2026	2027	2028	2029	2030	Total
Water System						
Capital Projects Spending (in Millions)	\$185	\$265	\$305	\$230	\$190	\$1,175
Bond Funding (in Millions)	\$202	\$304	\$228	\$168	\$69	\$971
SRF Loan Draws (in Millions)	\$7	\$ -	\$ -	\$ -	\$ -	\$7
Sewer System						
Capital Projects Spending (in Millions)	\$240	\$255	\$280	\$235	\$185	\$1,195
Bond Funding (in Millions)	\$26	\$76	\$65	\$39	\$33	\$239
SRF Loan Draws (in Millions)	\$102	\$160	\$141	\$122	\$89	\$614

Note: does not include spending for unidentified needs or borrowing on behalf of Local System.



Variable Rate Debt Can Be Used to Reduce Portfolio Cost

- Interest on long-dated variable rate debt is based on short-term interest rates, which are historically lower than long-term fixed interest rates
- Variable rate exposure can be managed as part of the full portfolio to optimize the benefit to an issuer
- Currently, short term debt is outperforming the fixed rate yield to maturity on a long-dated fixed rate bond by over 150bps



Note: Interest Rates as of January 20, 2026; Daily VRDB pricing represents current pricing of 3 month average SIFMA - 30bps + the estimated ongoing liquidity / dealer costs for a 3 year term (45bps); Soft Put pricing at BVAL +74 for a 3 year term; After 3 year term, liquidity would need to be required for VRDB or the soft put bond would need to be remarketed, which could change the pricing dynamics



GLWA Has Capacity to Add Variable Rate Debt

- GLWA can increase variable rate exposure substantially within policy and rating agency limits
 - Legacy variable rate exposure on Sewer System of \$239.5 million (9.0% of Sewer)
 - Debt Policy permits variable rate debt exposure of up to 20% (*after* netting short-term investments)
 - Rating agencies are comfortable with 20% or more floating rate debt
- GLWA credit stability and rating trajectory provide significant flexibility to access the benefits of variable rate market
- Many sector peers integrate variable rate debt into portfolios
 - Trend has been to increase exposure based on market conditions and borrowing needs

Peer Utility Variable Rate Exposure (Sorted by Total Debt)			
Issuer	Variable Rate Debt (millions)	Total Debt (millions)	% Variable Debt
Denver Water	75	1,480	5.1%
Atlanta	-	2,620	-
Great Lakes Water Authority - Water	-	2,629	-
King County, WA	657	2,640	24.9%
Great Lakes Water Authority – Sewer	239	2,663	9.0%
Chicago	-	3,230	-
Philadelphia	125	3,260	3.8%
Dallas	375	3,400	11.0%
San Antonio Water System	581	3,725	15.6%
DC Water	522	3,835	13.6%
Metropolitan Water District of So. Cal	931	4,130	22.5%
Houston CUS	2,430	7,220	33.7%
San Francisco Public Utilities Commission	1,320	9,350	14.1%
New York Municipal Water Fin. Authority	5,150	33,110	15.6%

Source: GLWA information from 9/30/2025 Semiannual Debt Report; Others sourced from BofA Securities, financial statements, and disclosure documents. Chicago and San Francisco PUC are aggregated among several credits.



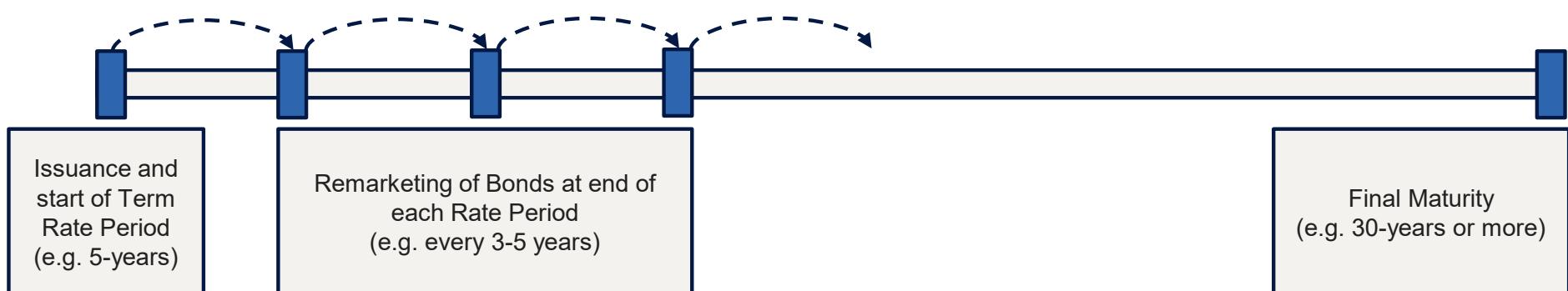
Comparison of Variable Rate Products Available to GLWA

		Daily Floating Rate	Intermediate	Fixed Rate	
Product Overview		Variable Rate Demand Bonds	SIFMA/SOFR Index Notes	Term Rate	Fixed Rate
Interest Rate Reset Frequency	Daily or Weekly	Weekly, Monthly or Quarterly		Up to 10 Years	Never
Remarketing Frequency	Daily or Weekly	Up to 10 Years		Up to 10 Years	Never
Source of Liquidity for Investors	Liquidity Bank (or self liquidity)	None		None	Not required
Investor Tender Option	Daily or Weekly	None		None	None
Mandatory Tender	Triggered by certain events as determined in the bond documents, (liquidity substitution, mode change, etc.)	Mandatory tender in 1-10 years; Hard put <i>or</i> soft put with amortization to term at a penalty rate		Mandatory tender in 1-10 years; Hard put <i>or</i> soft put with amortization to term at a penalty rate	None
Failed Remarketing	Term out of credit facility upon failed remarketing	If soft put, amortization to term at a penalty rate (e.g., 7-8%)		If soft put, amortization to term at a penalty rate (e.g., 7-8%)	n/a
Call Option	Typically, any Business Day	Typically, on each remarketing date or up to 6 months prior		Typically, on each remarketing date or up to 6 months prior	Typically, callable after year 10
Issuer Risks					
Interest Rate Risk	Ongoing	Ongoing		At issuance and remarketing only	At issuance only
Remarketing Risk	Ongoing	None		At remarketing only	None
Issuer Credit Risk	Ongoing	At issuance and remarketing only		At issuance and remarketing only	At issuance only
Bank Liquidity Risk	Yes (Renewal & Credit)	None		None	None
Investor Base	Exceptionally Broad	Limited		Broad	Broad



Overview of Term Rate Bonds

- Term Rate bonds offer an intermediate option between fixed rate debt and floating rate debt
- Key benefits are to take advantage of short end of the yield curve but gain budgetary certainty, limit impacts of short-term interest rate volatility, and eliminate exposure to bank counterparties
- Bonds bear interest at a fixed rate through the expiration of each Term Rate Period of up to 7 years
 - Interest rate paid during the Initial Period and each subsequent Term Rate Period is determined at initial pricing or remarketing date
 - At the end of each Term Rate Period the bonds are remarketed into a subsequent Term Rate Period or into another interest rate mode (could be remarketed to Fixed Rate)
- If the bonds are not remarketed at the end of each Term Rate Period, the bonds bear interest at a Penalty Rate (e.g. 8.00%) until they can be remarketed or until the maturity of the bonds
- No investor demand option, acceleration of principal, or bank liquidity facility**





Term Rate Bonds Offer Variable Rate Benefits with Improved Risk Profile

Benefits	Risks and Other Considerations
<ul style="list-style-type: none">▪ Lower Debt Service Costs<ul style="list-style-type: none">– Historically, short-term rates are lower than long-term rates– Issuer may realize lower interest costs than if fixed rate debt had been issued▪ Asset-Liability Management<ul style="list-style-type: none">– Interest rates are correlated with earnings on short-term investment portfolio▪ Diversified Investor Base<ul style="list-style-type: none">– Variable rate debt appeals to different market segments and investors▪ Budgetary Certainty<ul style="list-style-type: none">– Provides fixed debt service through initial period (1 to 7 years)▪ No Bank Liquidity Risks<ul style="list-style-type: none">– No bank liquidity facility eliminates risks related to termination, bank credit quality, and future replacement	<ul style="list-style-type: none">▪ Interest Rate Risk: Increased interest costs in the future if rates are higher at the remarketing date Mitigant: earnings on short-term investment portfolio serve as a hedge to increased bond interest rates▪ Issuer Credit Risk: Increased interest costs in the future if issuer credit rating deteriorates between issuance date and remarketing date Mitigant: key credit factors are within control of management and Board▪ Remarketing Risk: Failed remarketing is possible due to market disruption or issuer market access Mitigant: interest rate steps up to Penalty Rate but no acceleration of principal and failed remarketing is not an Event of Default



Variable Rate Debt Policy Considerations

- GLWA's Debt Management Policy provides guidance on the issuance of variable rate debt:
- *GLWA will consider issuance of Variable Rate Debt when it improves matching of assets and liabilities, provides the potential for lower debt service costs over the term of the debt, adds flexibility to GLWA's capital structure, diversifies GLWA's investor base, or in other circumstances where supported by an analysis and recommendation from GLWA's Registered Municipal Advisor that evaluates and quantifies the risks and opportunities*
 - (1) *Limitation on Net Variable Rate Debt Exposure. The percentage of Net Variable Rate Debt may not exceed 20% of GLWA's total outstanding debt. Net Variable Rate exposure is calculated by excluding Variable Rate Debt hedged by Interest Rate Swaps in a synthetic fixed rate structure or by GLWA short-term assets earning variable interest income*
 - (2) *Adequate Safeguards Against Risk. GLWA will ensure that financing structures and/or budgetary safeguards are in place to mitigate adverse impacts from interest rate shifts and liquidity risks; such structures could include, but are not limited to, interest rate caps, offsetting short-term cash investments held at GLWA, Letters or Lines of Credit or other Liquidity Facilities, soft puts, and conservative budgeting practices based on historical fluctuations in interest activity and current market assumptions*



2026 New Money Borrowing Could Include Modest Variable Rate Debt

- Portion of 2026 new money borrowings could be allocated to a variable rate debt structure, such as a Term Rate bond
- GLWA has ample capacity on both systems, but particularly the water system, where there is currently no outstanding variable rate debt

Preliminary Capital Borrowing Plan for 2026 (\$000s)		
	Water	Sewer
<i>Existing Debt Balance</i>	\$2,629	\$2,663
<i>Existing Variable Rate Debt Balance</i>	-	\$239
<i>Existing Variable Rate %</i>	-	9.0%
 2026 Borrowing Needs	\$202	\$26
<i>New Variable Rate Debt</i>	\$202	-
<i>New Fixed Rate Debt</i>	-	\$26
Total 2026 Borrowing	\$202	\$26
 <i>New Debt Balance</i>	\$2,831	\$2,689
<i>New Variable Rate Debt Balance</i>	\$202	\$239
<i>New Variable Rate %</i>	7.1%	8.9%



What is Different Today?

- First ten years at GLWA provides track record of disciplined financial management and supports strong standalone credit quality
- Modest variable rate exposure would be bounded by policy limits, rating agency guidelines, and peer utility practices
- Variable rate debt is being evaluated as a measured portfolio component instead of a dominant funding strategy
- Term Rate structure is simpler, has no reliance on bank liquidity, cannot be terminated or accelerated, and includes an option to step to a reasonable Penalty Rate if remarketing cannot be immediately achieved
- GLWA is not pursuing complex synthetic fixed rate debt structures that depend on alignment between swaps and variable rate markets and are subject to various termination triggers



Appendix



Select Public Finance Acronyms

- **BVAL** – BVAL AAA Municipal Curve. BVAL is a municipal bond index produced by Bloomberg that represents Bloomberg's best estimate for market yields for AAA-rated municipal bonds across different maturities.
- **COI** – Cost of Issuance. The expenses paid by or on behalf of the issuer in connection with the sale and issuance of bonds..
- **DS** – Debt Service. The amount of money necessary to pay interest on outstanding bonds, the principal of maturing or redeemed bonds and any required contributions to a sinking fund for term bonds
- **DSIR** – Debt Service Installment Requirement. A defined term in the Master Bond Ordinances, this represents the debt service that must be set aside and budgeted within a bond year.
- **DSRF** – Debt Service Reserve Fund. A fund in which funds are placed to be applied to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements.
- **FOMC** – Federal Open Market Committee. A key committee within the Federal Reserve System that oversees open market operations and makes key decisions about interest rates and the growth of the United States money supply.
- **Index Notes** - a bond where the interest rate is set periodically as a spread to a specified short-term interest rate index, rather than being determined through remarketing.
- **PV** – Present Value. The current value of a payment or stream of payments expected to be received in the future discounted at a given interest rate or rates.
- **SIFMA** – The Securities Industry and Financial Markets Association Municipal Swap Index is a 7-day high-grade market index comprised of tax-exempt Variable Rate Demand Obligations with certain characteristics.



Select Public Finance Acronyms (cont'd)

- **SLGS** – US Treasury – State and Local Government Series. SLGS securities are offered for sale to issuers of state and local government tax-exempt debt to assist with compliance of yield restriction or arbitrage rebate provisions of the Internal Revenue Code.
- **SOFR** - SOFR stands for the Secured Overnight Financing Rate. SOFR is a broad, transaction-based overnight interest rate that measures the cost of borrowing cash overnight collateralized by U.S. Treasury securities in the repurchase market.
- **Term Rate Bond** - Has a fixed interest rate for a predefined term (typically 1-10 years), after which the bond is subject to mandatory tender and either converts to another interest-rate mode, resets for a new term, or is repaid.
- **UWD** – Underwriter's Discount. The difference between the amount the underwriter pays the issuer for the bonds and the price at which the underwriter sells the bonds to the public. Represents the compensation for the underwriting syndicate.
- **VRDB or VRDO** – Variable Rate Demand Bond or Variable Rate Demand Obligation. VRDBs (or VRDOs) are short-term debt securities that bear interest at a floating, or variable, rate adjusted at specified intervals (daily or weekly) through a remarketing process. Holders can redeem these securities at designated times.
- **WAM** – Weighted Average Maturity. A reflection of the rapidity with which the principal of a bond issue is expected to be paid.



GLWA Credit Ratings Are Strong and Have Strengthened Since Standup

