

**MINUTES OF THE  
MEETING OF THE BOARD OF DIRECTORS OF THE  
TEXAS NATURAL GAS SECURITIZATION FINANCE CORPORATION  
June 8, 2022**

The Board of Directors (the “Board”) of the Texas Natural Gas Securitization Finance Corporation (the “Corporation”) convened in open meeting, notice duly posted pursuant to law (a copy of which is attached hereto as Exhibit “A”) at 12:00 noon, Wednesday, June 8, 2022, at the William P. Clements, Jr. Building, 300 W. 15th Street, Room 411, Austin, Texas.

Present were Mr. Jay Riskind, Board Member; Lee Deviney, Executive Director; Kevin Van Oort, General Counsel; Pamela Scivicque, Director of Business Administration; John Barton, Senior Financial Analyst; Kelly Tappendorf, Financial Analyst; Matthew Berry, Financial Analyst; and Paul Jack, Estrada Hinojosa & Co., Inc.

Participating via video conference were Mr. Billy M. Atkinson, Jr., Board Chair; Mr. Larry Holt, Board Member; and Kevin Twining, Locke Lord LLC.

Mr. Riskind called the meeting to order at 2:05 p.m. and noted the presence of a quorum.

**Item 1. Corporate Governance**

Approval of the minutes of the May 2, 2022 and May 26, 2022 Board meetings.

Mr. Riskind presented the minutes of the May 2, 2022 Board meeting and the minutes of the May 26, 2022 Board meeting.

**Action:** Motion by Mr. Holt to adopt the minutes of May 2, 2022 and May 26, 2022 Board meetings. Second by Mr. Atkinson.

The motion passed unanimously.

**Item 2. Preliminary matters related to the securitization bond transaction authorized by HB 1520**

A. Service provider engagement updates from staff, financial advisor and corporate counsel.

I. Central Servicer

Mr. Van Oort gave an overview of the status of the central servicer contract review and advised the Board that Norton Rose Fulbright is taking the leading role in contract preparation.

No Board action was taken on this item.

## 2. Verification Agent Contract

Mr. Van Oort and Mr. Twining reported that a contract is being drafted and preliminary discussions are taking place with the service provider. Discussion ensued related to indemnification language and professional liability coverage. Mr. Deviney indicated that staff will report back at the next meeting regarding the provider's professional liability insurance coverage.

No Board action was taken on this item.

## 3. Moody's

Mr. Van Oort, Mr. Twining and Mr. Jack provided an overview of discussions with Moody's regarding the proposed contract. Discussions are ongoing and responses to questions are expected later this week.

No Board action was taken on this item.

## 4. Fitch

Mr. Van Oort and Mr. Twining are finalizing their review of the Fitch engagement. Mr. Deviney gave an update on the status of the filtering process and contract discussions. A contract is anticipated to be sent to Fitch in the next few days and the results of the filtering process are anticipated to commence next week.

Mr. Deviney reported that the stress test is close to being finalized. Further, Mr. Deviney indicated that he and Mr. Jack would be available to brief Board members on the stress test at their request.

No Board action was taken on this item.

## 5. KBRA (Kroll)

Mr. Deviney stated that the contract has been received and is being reviewed.

No Board action was taken on this item.

Mr. Van Oort indicated that he would provide the Board with an update on future developments regarding the engagement of rating agencies.

## 6. Printer Selection

Mr. Deviney provided background on TPFA's printer selection process and historical costs.

**Action:** Motion by Mr. Riskind to delegate the selection and contracting of the financial printer to Mr. Deviney. Second by Mr. Holt.

The motion passed unanimously.

## 7. Underwriter Engagement

Mr. Deviney provided an overview of discussions concerning liabilities among underwriters. The Board directed staff and financial advisor to begin negotiations of proposed liability allocations and SDC credit with the senior underwriter.

Mr. Deviney advised the Corporation Board that the bond financing parameters would be presented to the TPFA Board at their next meeting. The Corporation Board requested that TPFA staff supply the TPFA Board with the relevant background information relating to the specifics of the transaction, as well as the transaction documents, prior to that TPFA Board meeting.

### B. 17g-5 data site update

Mr. Deviney and Mr. Van Oort provided an overview of the decision points regarding the 17g-5 data room and that it would be appropriate for TPFA, on behalf of the Corporation, to engage and contract with the recommended service provider, FinSight, due to the ongoing nature of the relationship.

**Action:** Motion by Mr. Riskind to delegate the selection and contracting with a 17g-5 data site vendor to Mr. Deviney. Second by Mr. Atkinson.

The motion passed unanimously.

### C. Update on the PGU data collection

Mr. Paul Jack gave an overview of the PGU data collection process for the rating agencies, with another round of information requests to go out next week. Jefferies and the financial advisor will work with disclosure counsel on disclosure matters.

Mr. Riskind inquired whether the PGU data collections have been incorporated into the calendar. Discussion ensued regarding input on the central servicing agreement and the collection agency agreement.

Mr. Deviney responded to the question on the BRB exempt application process.

Discussion ensued on the matter of providing materials to the TPFA board for their consideration of the financing parameters. Mr. Deviney indicated that the TPFA board members could be provided access to the data rooms containing the draft documents.

No Board action was taken on this item.

#### D. Administrative Services Agreement

Mr. Van Oort and Mr. Twining provided a summary of a draft Administrative Services Agreement between the Corporation and the TPFA. Mr. Atkinson specified that the contract should renew on an annual basis. Provisions for adjusting the annual fee were discussed.

Mr. Deviney indicated that the Agreement will be presented for approval at a later Board meeting and subsequently presented to the TPFA board for their consideration.

No Board action was taken on this item.

#### E. Confirm Board member access to data room

Discussion ensued about the process for accessing the documents in the data room being maintained by bond counsel and providing access to TPFA board members to review documents ahead of the TPFA meeting in July.

No Board action was taken on this item.

#### F. Consideration of limited delegation to staff

Mr. Deviney presented a discussion item to the Board relating to efficient processing and execution of documents and contracts until the Administrative Services Agreement is executed, which currently requires signature by Mr. Atkinson, as presiding officer of the Corporation. Mr. Twining concurred that that such matters could be delegated to the Treasurer.

**Action:** Motion by Mr. Riskind that Lee Deviney, in his capacity as Executive Director of the Texas Public Finance Authority, be appointed as Treasurer of the Corporation and that the Treasurer be authorized and instructed to facilitate the issuance of the Customer Rate Relief Bonds in a timely manner and on a basis consistent with the Financing Order and the direction of the Corporation Board and to execute, acknowledge and deliver, in the name of the Corporation, all documents and agreements not to exceed \$50,000 as may be necessary or desirable in preparation for such bond issuance. Second by Mr. Atkinson.

The motion passed unanimously.

#### G. TNGSFC website demonstration

The proposed website for the TNGSFC was previewed for the Board.

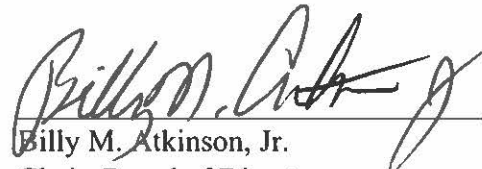
### **Item 3. Corporation fiscal management**

No discussion or Board action taken was taken on this item.

Future Board meeting dates of June 23, June 30, and July 7 were discussed.

Mr. Riskind adjourned the meeting at 4:41 p.m.

The foregoing minutes were approved and adopted by the Board of Directors on this 23<sup>rd</sup> day of June 2022.



Billy M. Atkinson, Jr.  
Chair, Board of Directors  
Texas Natural Gas Securitization  
Finance Corporation

ATTACHMENT: Posting Notice