

**MINUTES OF THE
MEETING OF THE BOARD OF DIRECTORS OF THE
TEXAS NATURAL GAS SECURITIZATION FINANCE CORPORATION**

June 23, 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 9:00 a.m., Thursday, June 23, 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, Treasurer; John Hernandez, Pamela Scivicque, John Barton, and Kelly Tappendorf, Texas Public Finance Authority (“TPFA”); Monty Humble; Hasan Mack, McCall, Parkhurst and Horton; and Paul Jack, Estrada Hinojosa.

Participating via video conference were Mr. Billy M. Atkinson, Jr., Board Chair; Mr. Larry Holt, Board Member; Kevin Van Oort, TPFA; Paul Braden, Norton Rose Fulbright; Kevin Twining, Locke Lord; and Mark Evarts and Anna Harris, Texas Railroad Commission.

Mr. Riskind called the meeting to order at 9:12 a.m.

1. Corporate Governance

- a. Mr. Riskind presented the minutes of the June 8, 2022 Board meeting.

Action: Motion by Mr. Atkinson to adopt the minutes of June 8, 2022, Board meeting. Second by Mr. Holt.

The motion passed unanimously.

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

- a. Project Timeline & Document Progression

Mr. Deviney provided an update of the transaction timeline. Mr. Jack mentioned that the timeline would be updated after receiving more information from the rating agencies. Mr. Deviney indicated that the TPFA board members would be provided with the draft transaction documents prior to being asked to consider a resolution directing the Corporation to issue the bonds and establishing the financing parameters.

b. Update on service provider engagements

i. Verification Agent

Mr. Deviney advised the Board that engagement of a verification agent is proceeding, based on action of the Board at its June 8, 2022, meeting.

ii. Central Servicer

Mr. Riskind inquired as to the status of the central servicing agreement. Mr. Twining and Mr. Braden indicated that all parties to the transaction have been given an opportunity to comment on the draft document.

iii. Trustee

Mr. Braden said that the bulk of the comments received this week on the Trust Indenture were submitted by the underwriter and the underwriter's counsel. Mr. Braden expected that a revised draft of the indenture to be turned around this week.

iv. Rating agencies

1. Moody's

Mr. Twining reporting that contract negotiations with Moody's were ongoing.

2. Fitch

Mr. Jack advised the Board that the transaction has passed the filter process and the ratings review could proceed.

3. Kroll

Mr. Twining reported that the terms of the engagement agreement with Kroll had been finalized.

v. 17g-5 Data Site

Mr. Van Oort provided an overview of the engagement with the 17g-5 data site provider and indicated that the contract had been signed by Mr. Deviney.

c. PGU data collection

Mr. Mack advised the Board that the collection of data from the participating gas utilities is ongoing.

d. Bond Parameters for the TPFA authorizing resolution

Mr. Deviney mentioned that the current draft resolution for the bond financing parameters mirrors that of the Railroad Commission Financing Order which gives maximum latitude to the Board when issuing the bonds.

e. Underwriter Liabilities

Mr. Deviney reminded the Board of their delegation to staff to negotiate key parameters with the senior underwriter and mentioned that the senior underwriter had accepted the offer. The Board further delegated staff to negotiate the takedown with the senior underwriter.

f. TNGSFC website

Mr. Hernandez demonstrated the proposed Corporation website.

3. Corporate Fiscal Management

a. Administrative services agreement between TPFA and the Corporation

Mr. Deviney described the terms of the proposed agreement.

b. Corporation Budget

Mr. Deviney described the elements of a draft budget.

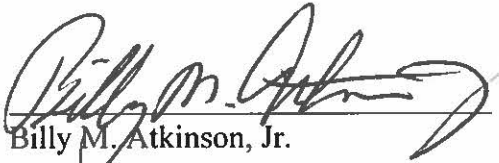
The Board went into executive session pursuant to Section 551.071 of the Texas Government Code to confer with legal counsel at 11:05 a.m.

The Board reconvened the open meeting at 11:25 a.m. Mr. Riskind announced that no action was taken during the closed session.

The board discussed meeting next on July 1, 2022.

Mr. Riskind adjourned the meeting at 11:27 a.m.

The foregoing minutes were approved and adopted by the Board of Directors on this 1st day of July 2022.



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

ATTACHMENT: Posting Notice