

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

**February 17, 2023**

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, at 3:00 p.m. on Friday, February 17, 2023, in room 411 of the William P. Clements, Jr. Building, 300 W. 15th Street, Austin, Texas.

Present were: Mr. Billy M. Atkinson, Jr., President and Chair of the Board; Mr. Larry Holt, Vice President and Board Member; Mr. Jay Riskind, Secretary and Board Member; and Mr. Lee Deviney, Treasurer. Mr. Atkinson and Mr. Holt participated via video conference.

Also in attendance were the following persons, representing the indicated entities: Kevin Van Oort and Matt Berry, Texas Public Finance Authority, and Paul Jack, Estrada Hinojosa & Co., Inc.

Kevin Twining, Locke Lord LLP, and Monty Humble participated via video conference.

Mr. Riskind noted the presence of a quorum and called the meeting to order at 3:02 p.m.

**Item 1. Securitization Transaction**

Mr. Deviney reported that earlier that day, the Bond Review Board approved the Corporation's application to issue the customer rate relief bonds.

Mr. Jack presented an updated calendar for the transaction and the bond pricing. Mr. Deviney and Mr. Jack outlined the procedures for pricing the bonds.

Mr. Van Oort advised the Board on recent discussions with the Office of the Attorney General (OAG) and technical changes to the transaction documents requested by the OAG.

**Item 2. Minutes**

Mr. Riskind presented the minutes of the February 13, 2023 Board meeting.

**Action:** Motion by Mr. Atkinson to approve the minutes of the February 13, 2023 Board meeting, as presented. Second by Mr. Holt.

The motion was adopted by unanimous vote.

### Item 3. Insurance Coverage

Mr. Twining presented coverage options for the potential purchase of a directors and officers liability insurance policy. Mr. Twining discussed the costs and benefits of a standard “duty to defend” policy as compared to a “reimbursement” policy.

**Action:** Motion by Mr. Atkinson to authorize Mr. Deviney to move forward with obtaining a “reimbursement” directors and officers liability insurance policy for the Corporation and to execute the necessary insurance binder on behalf of the Corporation, prior to bond pricing. Second by Mr. Holt.

The motion was adopted by unanimous vote.

### Item 4. Corporation Fiscal Management

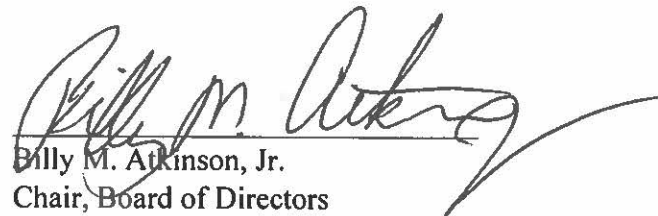
Mr. Deviney presented proposals submitted by the service providers to amend their respective engagement agreements. Mr. Deviney advised the Board that staff had evaluated the requested fee adjustments and that he had negotiated a fee adjustment for each of the service providers to reflect the additional time and work associated with the unanticipated increased duration of the HB 1520 financing. Mr. Deviney recommended that the contracts be amended to incorporate the adjusted fee structures.

**Action:** Motion by Mr. Holt to amend the engagement agreements with Norton Rose Fulbright US LLP; McCall Parkhurst & Horton L.L.P.; Estrada Hinojosa & Co., Inc.; and Locke Lord LLP to incorporate the respective fee structures recommend by Mr. Deviney. Second by Mr. Atkinson.

The motion was adopted by unanimous vote.

Mr. Riskind adjourned the meeting at 4:37 p.m.

The foregoing minutes were approved and adopted by the Board of Directors on this 8<sup>th</sup> day of March 2023.



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