

# TEXAS NATURAL GAS SECURITIZATION FINANCE CORPORATION

## BOARD OF DIRECTORS:

Billy M. Atkinson, Jr., President and Chair  
Larry G. Holt, Vice President  
Jay A. Riskind, Secretary

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

**April 13, 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 9:00 a.m. on Thursday, April 13, 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.

Also in attendance were the following persons, representing the indicated entities: Kevin Van Oort, John Hernandez, and Devyn F. Wills, Texas Public Finance Authority; Paul Jack, Estrada Hinojosa & Co.; and Kevin Twining, Locke Lord LLP.

Mr. Atkinson noted the presence of a quorum and called the meeting to order at 9:28 a.m.

### **Item 1. Minutes**

Mr. Atkinson presented the minutes of the March 9, 2023 Board meeting.

**Action:** Motion by Mr. Holt to approve the minutes of the March 9, 2023 Board meeting, as presented. Second by Mr. Riskind.

The motion was adopted by unanimous vote.

### **Item 2. Customer Rate Relief Bonds and Legislative Update**

Mr. Deviney discussed the potential cost of a redemption based on current market conditions and provided a status report on current legislation relating to appropriating funds to redeem the bonds. Mr. Jack provided a post-issuance report and discussed market reaction to the bond pricing.

### Item 3. Engagement of Service Providers

Mr. Van Oort outlined the terms of a proposed engagement agreement with the Locke Lord LLP law firm, to provide ongoing legal services to the Corporation. Mr. Twining responded to questions from the Board and outlined his proposed procedures to provide risk management assessments on an ongoing basis, including the review of all deliverables provided by transaction participants and ensuring compliance with their respective contractual requirements.

**Action:** Motion by Mr. Riskind to approve the proposed supplement to the engagement letter with Locke Lord LLP, as presented, to provide ongoing legal services to the Corporation. Second by Mr. Holt.

The motion was adopted by unanimous vote.

Mr. Deviney and the Board discussed the Corporation's requirements for the ongoing services of a financial advisor. Mr. Deviney proposed engaging Estrada Hinojosa & Co. on the following matters: reviewing the true-up calculations of the central servicer; providing redemption calculations on an *ad hoc* basis; and, in the event that the legislature provides funding for a redemption, to provide the financial advisory services necessary to complete that transaction.

Mr. Van Oort outlined the procedural mechanics of a potential redemption of the Customer Rate Relief Bonds.

**Action:** Motion by Mr. Riskind to authorize and direct Lee Deviney, acting as Treasurer for the Corporation, to prepare and execute a contract with Estrada Hinojosa & Co. to provide ongoing financial advisory services to the Corporation in accordance with the terms discussed. Second by Mr. Holt.

The motion was adopted by unanimous vote.

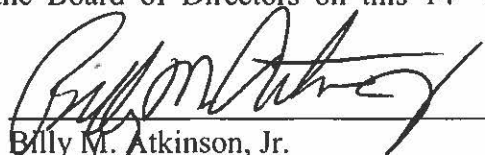
### Item 4. Corporation Fiscal Management

Mr. Twining advised the board that the D&O insurance policy is in place and binding, providing coverage for the Corporation as of March 9, 2023 for a period of one year. Further, that same D&O insurance policy also includes the TPFAs as an additional insured party for matters related to the Corporation and the Corporation's activities.

Mr. Van Oort advised the Board that an operating account had been opened with the Texas Treasury Safekeeping Trust Company on behalf of the Corporation.

Mr. Atkinson adjourned the meeting at 10:03 a.m.

The foregoing minutes were approved and adopted by the Board of Directors on this 14<sup>th</sup> day of September 2023.



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