

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

May 19, 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”) for 8:00 a.m., Thursday, May 19, 2022, at the William P. Clements, Jr. Building, 300 W. 15th Street, Room 411, Austin, Texas.

Present were: Mr. Billy Atkinson, Jr., participated via video conference; Mr. Larry Holt, participated via video conference; and Mr. Jay A. Riskind.

In attendance from the staff of the Texas Public Finance Authority (the “TPFA”) were: Lee Deviney, Executive Director; John Hernandez, Deputy Director; Kevin Van Oort, General Counsel participated via video conference; Pamela Scivicque, Director of Business Administration; John Barton, Senior Financial Analyst; and Matthew Berry, Financial Analyst.

Also in attendance were the following persons, representing the indicated entities: Paul Jack, Estrada Hinojosa & Co., Inc. participated via video conference; Kevin Twining, Locke Lord LLP, participated via video conference, and Drew DeBerry.

Mr. Riskind called the meeting to order at 9:08 a.m. and noted the presence of a quorum.

Item 1. Corporate Governance

Mr. Atkinson asked if there were any corrections to the minutes. Mr. Twining offered corrections to the May 6th meeting, as provided to TPFA staff.

Action: Motion by Mr. Atkinson to approve the amended minutes of the May 6, 2022 and the minutes of the May 12, 2022 Board Meetings. Second by Mr. Riskind.

The motion passed unanimously.

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

The Board discussed the selection of a verification agent and central servicer.

The board discussed Estrada Hinojosa’s (EH) proposed list of available verification agents. Mr. Deviney read the list and identified several firms that TPFA has had previous experience. Mr. Riskind recommended EH short list the top four largest verification agents, obtain fee quotes and determine the number of staff and level of liability insurance coverage, for board consideration at the next meeting.

Action: Motion by Mr. Riskind to designate United Professionals Company to serve as the Central Servicer for the bonds to be issued pursuant to HB 1520, subject to written confirmation by the designated representative of the Railroad Commission of Texas and that such an appointment would be subject to selection and engagement of a verification agent, and in conformance with Part IV, Section C.1.1. of the Financing Order adopted by the Railroad Commission of Texas on February 8, 2022. Second by Mr. Holt.

The motion passed unanimously.

Mr. Paul Jack provided an update on the ratings process. Mr. Jack mentioned that EH and the Co Seniors agreed to start the rating process with Moody's and EH is discussing frequent issuer discount on the fees and contract negotiations with Moody's with a goal of providing TPFA with information to review by next week. Mr. Jack added that he and the Co Seniors are also moving forward with Fitch to evaluate the possibility of seeking a Fitch rating and a draft term sheet will be distributed to the group for review by next week. Mr. Jack mentioned that EH and Co Seniors have discussed potentially starting a discussion with KBRA (Kroll) and is in process of discussing fees with Kroll. The Board discussed the data collection initiative with the PGUs and related deadlines and requested an update on when a response was required by the Railroad Commission (RRC) to determine the tenor of the bonds and other terms, which are needed for rating agency presentations.

The board agreed that the responsibility for engaging rating agencies is delegated to TPFA staff and financial advisor.

Mr. Riskind requested a reconciliation of Jefferies proposed plan provided to the current timeline and that the timeline include responsibilities of the RRC and be provided to the RRC. Mr. Atkinson recommended including Bond Counsel and Disclosure Counsel in the timeline discussion. The Board discussed the index of bond documents and related responsible parties and requested that dates be added to the document.

The Board discussed the data collection process and related deadlines. Mr. Riskind requested an update on when RRC's response was required to determine the tenor of the bonds. Mr. Atkinson recommended that financial advisor and lead underwriter (Jefferies) work with the RRC designated representative and RRC financial advisor to decide the tenor & other terms before rating agency presentation.

Item 3. Corporation fiscal management

No discussion or board action was taken on this item.

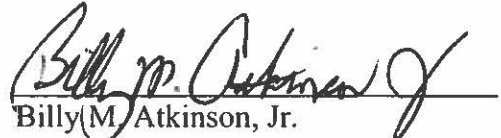
Mr. Deviney discussed possible agenda items to be discussed at future board meetings including: 1.) Corporate documents filed and under review; 2.) Administrative Service Contract (a draft of which will be provided to Kevin Twining, Corporate Counsel); 3.) TNGSFC Budget; 4.) minutes of prior meetings; and 5.) document ownership list. Mr. Deviney also mentioned that the TPFA board was expected to consider and approve F2 parameters at the July 7 TPFA board meeting.

Mr. Atkinson called for an executive session pursuant to Government Code §551.071, for consultation with legal counsel and recessed the open meeting at 10:30 a.m. The Board went into executive session at 10:30 a.m. and reconvened in open meeting at 10:36 a.m.

Mr. Atkinson stated that no action was taken by the Board during the executive session.

Mr. Riskind adjourned the meeting at 10:39 a.m.

The foregoing minutes were approved and adopted by the Board of Directors on this 26th day of May 2022.


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

ATTACHMENT: Posting Notice