

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

January 13, 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 p.m., Thursday, January 13, 2022, in person at the William P. Clements, Jr. Building, 300 W. 15th Street, Room 404, Austin, Texas.

Present were: Mr. Billy M. Atkinson, Jr., President and Chair of the Board; Mr. Jay A. Riskind, Member; and Mr. Brendan Scher, Member.

Also in attendance were the following persons, representing the indicated entities: Lee Deviney, John Hernandez, Kevin Van Oort, Pamela Scivicque, John Barton, and Matt Berry, Texas Public Finance Authority; Paul Braden, Norton Rose Fulbright US LLP; Monty Humble; Hasan Mack, McCall Parkhurst & Horton L.L.P.; and Paul Jack, Estrada Hinojosa & Company, Inc.

Mr. Atkinson called the meeting to order at 12:04 p.m. and noted the presence of a quorum.

1. Minutes

Mr. Atkinson presented the minutes for the December 2, 2021 Board meeting.

Action: Motion by Mr. Scher to approve the minutes of the December 2, 2021 Board meeting, as presented. Second by Mr. Riskind.

The motion passed unanimously.

2. Corporate governance

Mr. Braden and Mr. Van Oort presented proposed amendments to the corporate bylaws. Additional potential changes were discussed for consideration at a future Board meeting.

The Board discussed the delegation of certain corporate functions and the scope of such a delegation. The Board also discussed contracting procedures.

No action was taken on this item.

3. Corporation fiscal management

Mr. Deviney presented a proposed operating budget for the Corporation, to be funded with an initial set-aside of bond proceeds and subsequently out of the customer rate relief charge receipts, all in accordance with HB 1520. Mr. Deviney indicated that the draw from the customer rate relief charges would be made periodically and was statutorily required to cover the full operating costs of the Corporation.

4. Issuance of a request for proposals for legal services

The Board discussed the potential engagement of an outside corporate counsel and the necessary qualifications of such counsel. The Board discussed criteria for inclusion in a request for proposals for corporate counsel.

Action: Motion by Mr. Atkinson to authorize staff to prepare an RFP for corporate counsel services and present the form of the RFP to Mr. Scher for review prior to issuance. Further, staff is directed to discuss the responses to the RFPs with Mr. Scher for his review and recommendation prior to presenting to the Board. Second by Mr. Scher.

The motion passed unanimously.

5. Status report on Railroad Commission actions related to the implementation of HB 1520

Mr. Van Oort advised the Board that the Railroad Commission was continuing their work on a financing order and that the Board's legal counsel was providing input to the Railroad Commission's counsel during this process.

6. Preliminary matters related to the securitization bond transaction authorized by HB 1520, 87th Legislature, RS (2021)

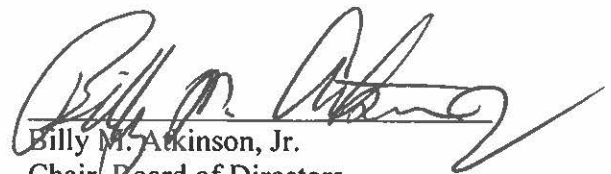
Mr. Atkinson called for an executive session pursuant to Texas Government Code Sec. 551.071(2), for consultation with legal counsel, and recessed the open meeting at 2:45 p.m. The Board went into executive session at 2:45 p.m.

The Board reconvened the open meeting at 3:25 p.m. Mr. Atkinson announced that the Board took no action during the executive session.

The Board discussed the need to meet again in January.

Mr. Atkinson adjourned the meeting at 3:29 p.m.

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


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