

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

February 13, 2024

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 2:30 p.m. on Tuesday, February 13, 2024, 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: John Hernandez, Kevin Van Oort, and Devyn F. Wills, Texas Public Finance Authority (“TPFA”); Paul Jack, Estrada Hinojosa & Company, Inc.; and Kevin Twining, Locke Lord LLP. Mr. Twining participated via video conference.

Mr. Riskind noted the presence of a quorum and called the meeting to order at 2:39 p.m.

Item 1. Corporate Governance

Mr. Riskind presented the minutes of the January 22, 2024, Board meeting.

Action: Motion by Mr. Holt to approve the minutes of the January 22, 2024, Board meeting, as presented. Second by Mr. Atkinson.

The motion was adopted by unanimous vote.

Item 2. Corporation Fiscal Management – Financial Reporting

Mr. Hernandez and Mr. Deviney presented proposed exhibits for reporting the Corporation’s annual financial statements. Mr. Hernandez advised the Board that the Corporation would be presented as a “discrete component unit” in the TPFA’s Annual Financial Report (the “TPFA-AFR”), which will be filed with the Governor, the Comptroller, the State Auditor, and the Legislative Budget Board. Mr. Atkinson requested that at the next Board meeting staff present the proposed notes to the financial statements for Board review.

Item 3. Corporation Fiscal Management – D&O Insurance

Mr. Twining presented the Board with a summary of the proposed renewal options for the Corporation's D&O liability insurance policy. Mr. Twining advised the Board that the current D&O policy will expire on March 9, 2024. Mr. Twining and Mr. Van Oort also provided information regarding their discussion with insurance brokers concerning obtaining a multi-year policy.

Action: Motion by Mr. Holt to accept the proposed insurance policies and to authorize any necessary action to bind such policies prior to the expiration date of the Corporation's current insurance policy. Second by Mr. Atkinson.

The motion was adopted by unanimous vote.

Item 4. Administration of the Series 2023 Customer Rate Relief Bonds

Mr. Jack provided the Board with information regarding the potential debt service savings resulting from a tax-exempt refunding of the Series 2023 Customer Rate Relief Bonds.

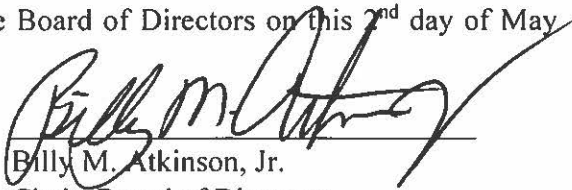
Mr. Riskind presented a summary of the interviews for Special Tax Counsel that were conducted on January 26, 2024. The Board considered options to determine the viability of a tax-exempt refunding.

Action: Motion by Mr. Holt to engage the law firm of Orrick, Herrington & Sutcliffe to communicate with the Internal Revenue Service in preparation for the potential submission of an application for a private letter ruling on the tax treatment of refunding bonds. Second by Mr. Atkinson.

The motion was adopted by unanimous vote.

Mr. Riskind adjourned the meeting at 4:15 p.m.

The foregoing minutes were approved and adopted by the Board of Directors on this 7th day of May 2024.


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