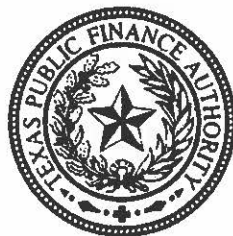


# TEXAS PUBLIC FINANCE AUTHORITY

## BOARD OF DIRECTORS:

Billy M. Atkinson, Jr., Chair  
Ramon Manning, Vice Chair  
Jay A. Riskind, Secretary  
Larry G. Holt  
Shanda G. Perkins  
Benjamin E. Streusand



EXECUTIVE DIRECTOR

Lee Deviney

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## MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TEXAS PUBLIC FINANCE AUTHORITY

April 7, 2022

The Board of Directors (the "Board") of the Texas Public Finance Authority (the "Authority") convened in open meeting, notice duly posted pursuant to law (a copy of which is attached hereto as Exhibit "A") at 9:30 a.m., Thursday, April 7, 2022, in Room E2.028 of the Capitol Extension Hearing Room, Austin, Texas.

Present were: Mr. Billy M. Atkinson, Jr., Chairman; Mr. Jay A. Riskind, Secretary; Mr. Larry G. Holt, Member; Ms. Shanda G. Perkins, Member; and Mr. Benjamin E. Streusand, Member.

Representing the Authority's staff were: Lee Deviney, Executive Director; John Hernandez, Deputy Director; Kevin Van Oort, General Counsel; Pamela Scivicque, Director of Business Administration; John Barton, Senior Financial Analyst; and Matthew Berry, Financial Analyst.

In attendance were the following persons, representing the indicated entities: Tim Peterson, Jefferies LLC; Bech Bruun, UBS; Dirk Spoons, Citigroup Global Markets, Inc.; Paul Jack, Estrada Hinojosa & Co., Inc.; Mark Ellis, Hilltop Securities; Mark Nitcholas, RW Baird; Hasan Mack, McCall Parkhurst & Horton LLP; Blaine Brunson, Morgan Stanley & Co., LLC; Tilghman Naylor, Loop Capital Markets LLC; Paul Braden, Norton Rose Fulbright US LLP; Debi Jones, Raymond James & Associates, Inc.; Jerry Kyle, Andrew Bethune, and Julie Houston, Orrick, Herrington & Sutcliffe LLP; Robin Redford, Ramirez and Co.; Brad Angst, Stifel, Nicolaus & Company, Inc.; Chris Allen and Gabriella Briceno, RBC Capital Markets, LLC; Brian Middlebrook and Patrick Scott, Barclays Capital Inc.; Danielle Bradford, Piper Sandler & Co.; Karlos Allen, PFM Financial Advisors LLC; Keith Richards and Nicole Conley, Seibert Williams Shank & Co.; and Monty Humble.

Mr. Atkinson called the meeting to order at 9:35 a.m. and noted the presence of a quorum.

### **Item 1. Confirm meeting posting compliance with the Open Meetings Act.**

Mr. Atkinson confirmed that the meeting was duly posted with the Secretary of State.

**Item 2. Excuse absences of Board members, if necessary.**

**Action:** Motion by Mr. Riskind to excuse the absence of Mr. Ramon Manning. Second by Ms. Perkins.

The motion passed unanimously.

**Item 3. Review and approval of the minutes of the March 3, 2022 Board Meeting.**

Mr. Atkinson asked if there were any corrections to the minutes. None were noted.

**Action:** Motion by Mr. Riskind to approve the minutes of the March 3, 2022 Board Meeting. Second by Mr. Holt.

The motion passed unanimously.

Mr. Streusand joined the meeting at 9:39 a.m.

**Item 4. Consideration, discussion, and possible action related to a request from the Texas Windstorm Insurance Association related to the early redemption of the Texas Public Finance Authority Texas Windstorm Insurance Association Taxable Bonds, Series 2014.**

Mr. Deviney presented a request by the Texas Windstorm Insurance Association (Association) to redeem the outstanding \$177 million of Series 2014 bonds. Mr. Deviney also referenced the prior discussion during the March 2022 board meeting relating to the actions taken by the Association to prepare for such a redemption. Staff recommended that the Board approve a resolution to redeem the outstanding Series 2014 Bonds.

Julie Houston, bond counsel from Orrick, Herrington & Sutcliffe LLP, advised the Board that all necessary actions had been taken by the Association, including receipt of approval from the Texas Department of Insurance.

Gabriella Briceno, financial advisor from RBC, indicated that in addition to the \$177 million outstanding principal amount of the outstanding bonds, interest of approximately \$5 million will also be due, for a total redemption amount of approximately \$182 million.

**Action:** Motion by Mr. Streusand that the Board adopt a Resolution, the form presented, authorizing the defeasance and redemption of the outstanding TPFA Texas Windstorm Insurance Association Premium Revenue Taxable Bonds, Series 2014. Second by Ms. Perkins.

The motion passed unanimously.

**Item 5. Texas Natural Gas Securitization Finance Corporation: Corporate Governance.**

Mr. Atkinson advised the Board that Mr. Brendan Scher has sent a letter of resignation to Governor Abbott because he is moving out of state.

Mr. Atkinson suggested replacing Mr. Scher on the Texas Natural Gas Securitization Finance Corporation board. Discussion ensued and Mr. Holt volunteered to serve on the Corporation board.

**Action:** Motion by Mr. Streusand to appoint Mr. Larry Holt to serve as a director of the Texas Natural Gas Securitization Finance Corporation for a term ending December 31, 2024, replacing Mr. Brendan Scher who has resigned. Second by Ms. Perkins.

The motion passed unanimously.

**Item 6. Staff Update:**

**a. Status report on the HB 1520 natural gas securitization**

Mr. Deviney referred Board Members to three documents to aid in the discussion: 1) the Regulatory Asset Determination provided by the Railroad Commission; 2) a high-level timeline of events leading up to the sale and closing of the bonds; and 3) a flow chart indicating stakeholder roles and responsibilities and the general flow of funds.

**b. Update on State Bullion Depository project**

Mr. Deviney stated that the Comptroller of Public Accounts has advised TPFA that they sent a notice of termination to the facility owner canceling the purchase of the Bullion Depository facility.

**c. Update on Texas Military Preparedness Commission project**

Mr. Deviney stated that there has been no change since the March 3, 2022 Board meeting. TPFA has been advised that the TMPC expects to receive additional information from the Port Authority of San Antonio.

**d. Request for financing from Texas Southern University**

Mr. Deviney stated that TPFA staff will follow up with TSU regarding the proposed timeline for each project and other required actions and approvals preliminary to the issuance of debt. Because the four projects are on different timelines, staff and advisors will evaluate the most cost-effective method of sale, which may include one or more fixed-rate bond issues or the issuance of variable rate debt. No board action is required at this time.

**e. Anticipated request for financing from Texas Agricultural Finance Authority**

Mr. Deviney stated that there has been no change since the March 3, 2022 Board meeting. Staff anticipates receiving a request for financing from TAFE in April 2022 and will present the request at a subsequent meeting.

**f. Agency risk assessment**

Mr. Hernandez provided a brief overview of the annual agency Risk Assessment. Mr. Atkinson indicated that this is one of the many required reports that are due prior to the upcoming Legislative Session.

**g. Personnel update**

Mr. Deviney stated that Ms. Kelly Tappendorf will join our staff as a Financial Analyst on April 11, 2022. A staff attorney position remains posted and interviews continue.

**h. Upcoming projects**

Mr. Deviney stated that non-transactional projects such as the Agency Strategic Plan for Fiscal Years 2023-2027 and other reports required by the Bond Review Board, Legislative Budget Board and other oversight agencies can be found in the board materials. Ms. Scivicque gave some background and an overview of the strategic planning process including how it is used as the first step in the two-year budget cycle.

**i. Market Update**

Mr. John Barton provided an update on commercial paper rates including the increase in rates seen on a year over year basis and actions taking by the Federal Reserve at their most recent meeting.

**Item 7. Future transactions and market conditions.**

Mr. Deviney indicated there were no additional future transactions to discuss.


**Item 8. Future agenda items and meeting dates.**

Mr. Deviney stated he anticipates a Board meeting on May 12, 2022.

**Item 9. Adjourn.**

Mr. Atkinson adjourned the meeting at 11:00 a.m.

The foregoing minutes were approved and adopted by the Board of Directors on this 12<sup>th</sup> day of May 2022.

  
Billy M. Atkinson, Jr.  
Chair, Board of Directors

ATTACHMENT: Posting Notice