

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

May 12, 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 10:00 a.m., Thursday, May 12, 2022, in Room E2.028 of the Capitol Extension Hearing Room, Austin, Texas.

Present were: Mr. Billy M. Atkinson, Jr., Chairman; Mr. Ramon Manning, Vice 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 and Kyle Cottrell, Jefferies LLC; Bech Bruun, UBS; Tania Askins, Estrada Hinojosa & Co., Inc.; Mark Ellis, Hilltop Securities; 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; Jerry Kyle, Orrick, Herrington & Sutcliffe LLP; Humberto F. Aguilera, Escamilla & Poneck, LLP; Andrew Pineda, Bracewell LLP; Alex Palazzolo, Bondlink; Lorraine Palacios, Ramirez & Co. Inc.; Brad Angst, Stifel, Nicolaus & Company, Inc.; Gabriella Briceno, RBC Capital Markets, LLC; Brian Middlebrook, John Daniel, and Patrick Scott, Barclays Capital Inc.; Keith Richards, Seibert Williams Shank & Co., LLC; Susan Maldonado, Nathan Leake, Roxann Newlean, Tim Kleinschmidt, Carter Page, and Bon Wier, Texas Department of Agriculture; Anita Lockridge, Texas Southern University; and Monty Humble.

Mr. Atkinson called the meeting to order at 10:01 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.

All members were present.

Item 3. Review and approval of the minutes of the April 7, 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 April 7, 2022 Board Meeting. Second by Mr. Holt.

The motion passed unanimously.

Item 4. Consideration, discussion, and possible action to approve a request for financing submitted by Texas Southern University; selection of a method of sale; appointment of outside consultants, if necessary; and taking other necessary related action.

Mr. Deviney presented a request for financing by Texas Southern University (TSU) and provided a description for each of the four authorized projects and introduced Ms. Anita Lockridge, Vice President for Administration and Finance/CFO, Texas Southern University. Ms. Lockridge provided an overview of TSU's upcoming projects and the students who will be served by these additional facilities.

Staff recommended approval of TSU's request for financing in the amount of \$95,200,000 as presented by the university, and as authorized and appropriated by the 87th Legislature, Third Called Session (2021).

Action: Motion by Mr. Manning that the Board approve the request for financing submitted by Texas Southern University to finance the projects authorized by Senate Bill 52, 87th Legislature, 3rd Called Session. Second by Ms. Perkins.

The motion passed unanimously.

Staff recommended that the Board appoint RBC Capital Markets, LLC, as financial advisor; the Bracewell law firm as bond counsel, based on that firm's extensive prior experience with TSU financings; and the firm of Escamilla & Poneck LLP as disclosure counsel, based on that firm's prior experience serving as disclosure counsel for TPFA.

Action: Motion by Mr. Manning that the Board approve staff's recommendation for the selection of service providers for financial advisory services, bond counsel and disclosure counsel. Second by Mr. Streusand.

The motion passed unanimously.

Item 5. Texas Consideration, discussion, and possible action to approve a request for financing submitted by Texas Agricultural Authority; selection of a method of sale; appointment of outside consultants, if necessary; and taking other necessary related action.

Mr. Deviney stated that on February 22, 2022 the Texas Agricultural Finance Authority (TAFE) Board of Directors adopted a resolution for the purpose of funding agricultural and rural economic development financial assistance programs. The TAFE Board also provided administrative rules for financial assistance (lending) programs. The Texas Department of Agriculture (TDA) staff and the TAFE Board of Directors are relaunching bond financed financial assistance programs.

Mr. Bon Wier from the Texas Department of Agriculture presented the \$200 million request for financing and how the funds would be used by the TDA in addition to the background of the program.

Mr. Deviney stated that most of the projects would ideally be financed through commercial paper; however, some larger may be financed through long term fixed rate bonds.

Staff recommended approval of TAFE's request for financing of general obligation debt through the issuance of commercial paper. Additionally, staff recommended the appointment of RBC Capital Markets, LLC, as financial advisor and Orrick, Herrington & Sutcliff as bond counsel. Both firms are recommended based on their prior work experience on similarly structured financings and their experience in establishing commercial paper programs.

Action: Motion by Ms. Perkins to approve the request for financing submitted by the Texas Agricultural Finance Authority to finance rural economic development projects pursuant to Article III, Section 49f(g) and that such financing be accomplished through the creation of a commercial paper program. Second by Mr. Holt.

The motion passed with a vote of two in favor and none opposed. Mr. Riskind abstaining.

Action: Motion by Mr. Manning to appoint RBC Capital Markets to provide financial advisory services and Orrick, Herrington & Sutcliff to provide bond counsel services, related to the formation of a commercial paper program to finance the project. Second by Mr. Streusand.

The motion passed with a vote of two in favor and none opposed. Mr. Riskind abstaining.

Item 6. Status report on the HB 1520 natural gas securitization.

Mr. Deviney provided a status report on the Texas Natural Gas Securitization Finance Corporation (SPE). The SPE is comprised of Mr. Atkinson, Mr. Holt and Mr. Riskind. They have had 10 meetings so far. The Railroad Commission has taken their two primary actions, the regulatory asset determination and the financing order. The SPE has engaged bond counsel, disclosure counsel, corporate counsel and financial advisor. Additionally, the board has selected USBank as the Trustee. Following review of responses from an RFP, the SPE selected an underwriting syndicate comprised of Senior Manager – Jefferies LLC, Co-Senior Managers – Morgan Stanley & Co. LLC and Hilltop Securities, LLC, and Co-Managers: Barclays Capital Inc.; Blaylock Van; Citigroup Global Markets Inc.; Raymond James & Associates, Inc.; Piper Sandler & Co.; UBS; Siebert Williams Shank & Co., LLC; Loop Capital Markets; and Stifel.

In cooperation with the Railroad Commission, the central servicer will be selected. Mr. Atkinson described the role of the central servicer in the transaction and the importance of the Railroad Commission's role in the selection of a central servicer under the terms of the financing order.

Item 7. TPFA General Obligation Commercial Paper Program, Series 2008: Termination of program.

Mr. Van Oort stated that the Series 2008 commercial paper program was effectively terminated by the refunding of all outstanding commercial paper notes in 2021.

Staff recommends that the Board adopt a resolution to close the Series 2008 general obligation commercial paper program and delegate staff to terminate all outstanding service providers.

Action: Motion by Mr. Riskind to terminate the Series 2008 General Obligation Commercial Paper program and that staff be authorized and directed to take all actions necessary to terminate the program. Second by Mr. Streusand.

The motion passed unanimously.

Item 8. Charter School Finance Corporation: Appointments.

Mr. Deviney stated that the terms of three of the directors of the Texas Public Finance Authority Charter School Finance Corporation expired on May 1, 2022. Two of the directors, Dr. Grayson and Mr. Baker, have indicated their willingness to serve an additional term.

Action: Motion by Mr. Holt to appoint Mr. Coalter Baker and Dr. Nancy Grayson to the Board of Directors of the TPFA Charter School Finance Corporation for respective terms to expire on May 1, 2024, subject to the approval of the Governor. Second by Mr. Streusand.

The motion passed unanimously.

Item 9. Staff Update:

a. Texas Windstorm Insurance Association: Redemption of the Series 2014 Bonds

Ms. Scivicque updated the Board that the Series 2014 Bonds closed on May 4, 2022 and the final redemption of the Series 2014 Bonds occurred on May 9, 2022.

b. Agency strategic plan and appropriations request

Ms. Scivicque presented various elements of the Strategic Plan for the FY 2023-2027 planning period, including the agency's budget structure with Performance Measures and Definitions, Historically Underutilized Business Plan, Workforce Plan and the Report on Customer Service.

Action: Motion by Ms. Perkins to approve elements of the Agency Strategic Plan for the fiscal 2023-2027 planning period, as presented by staff and further that the Board delegate to the Chairman final review authority of the Strategic Plan prior to submission to the Governor and the Legislative Budget Board. Second by Mr. Streusand.

The motion passed unanimously.

c. Personnel update

Mr. Deviney introduced Ms. Kelly Tappendorf as a TPFA Financial Analyst. She joined April 11, 2022.

d. Market Update

Mr. Matt Berry presented the market update indicating that TPFA will have a better indication of rates in the next few months.

Item 10. Future transactions and market conditions.

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

Item 11. Future agenda items and meeting dates.

Mr. Deviney stated he anticipates a Board meeting on July 7, 2022.

Item 12. Adjourn.

Mr. Atkinson adjourned the meeting at 11:30 a.m.

The foregoing minutes were approved and adopted by the Board of Directors on this 7th day of July 2022.


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

ATTACHMENT: Posting Notice



Leandra Contreras

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Open Meeting Submission

TRD: 2022002686
Date Posted: 05/04/2022
Status: Accepted
Agency Id: 0113
Date of Submission: 05/04/2022
Agency Name: Texas Public Finance Authority
Board: Texas Public Finance Authority
Date of Meeting: 05/12/2022
Time of Meeting: 10:00 AM (###:## AM Local Time)
Street Location: 1400 N. Congress Avenue Capitol Extension Hearing Room E2.028
City: Austin
State: TX
Liaison Name: Leandra Contreras
Liaison Id: 7
Additional Information Obtained From: Leandra Contreras, 512-463-5544
Agenda: Texas Public Finance Authority
 Board Meeting
 Thursday, May 12, 2022 - 10:00 A.M.

Capitol Extension Hearing Room E2.028
 State Capitol
 1400 N. Congress Avenue
 Austin, Texas

AGENDA

The Board may discuss and take action regarding any of the following matters:

1. Confirm meeting posting compliance with the Open Meetings Act.
2. Excuse absences of Board members, if necessary.
3. Review and approval of the minutes of the April 7, 2022 Board Meeting.
4. Consideration, discussion, and possible action to approve a request for financing submitted by Texas Southern University; selection of a method of sale; appointment of outside consultants, if necessary; and taking other necessary related action.
5. Consideration, discussion, and possible action to approve a request for financing submitted by Texas Agricultural Finance Authority; selection of a method of sale; appointment of outside consultants, if necessary; and taking other necessary related action.
6. Status report on the HB 1520 natural gas securitization.
7. TPFA General Obligation Commercial Paper Program, Series 2008: Termination of program
8. Charter School Finance Corporation: Appointments
9. Staff Update:
 - a. Texas Windstorm Insurance Association: Redemption of the Series 2014 Bonds
 - b. Agency strategic plan and appropriations request
 - c. Personnel update
 - d. Market Update
10. Future transactions and market conditions.
11. Future agenda items and meeting dates.
12. Adjourn

THE BOARD MAY GO INTO CLOSED SESSION AS PERMITTED UNDER THE OPEN MEETINGS ACT, GOVERNMENT CODE CHAPTER 551.

Persons with disabilities who have special communication or other needs, who are planning to attend the meeting, should contact Leandra Contreras at 512/463-5544. Requests should be made as far in advance as possible. Contact Leandra Contreras if you need any additional information, Texas Public Finance Authority, 300 W. 15th Street, Suite 411, Austin, TX 78701.

New Submission

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