

TEXAS MUNICIPAL GAS ACQUISITION AND SUPPLY CORPORATION IV

Board of Directors' Minutes of Meeting Dated December 3, 2019

A meeting of the Board of Directors of Texas Municipal Gas Acquisition and Supply Corporation IV ("*TexGas IV*") was held at Celebrations by Bistro 108 in La Grange, Texas (the "*City*"), on Tuesday, December 3, 2019, at 5:00 p.m. The following Directors of TexGas IV, constituting a quorum, were present and participated throughout the meeting:

Janet Moerbe, President
John J. (Honza) Cernosek, Secretary
Janetta Morris, Vice President
Cliff Gage, Assistant Vice President & Assistant Secretary

Also in attendance was Robert D. Murphy, Jr., Executive Director of TexGas IV and President of Municipal Energy Resources Corporation ("*MERC*"). Additional MERC attendees included Rebecca Elmore, Michael Pinion, William deJong, Jim Smith, and Frank Wang. Rick Weber and Bryon Farnsworth from Norton Rose Fulbright were in attendance as well.

- 1. Call to Order.** The President declared that a quorum of the TexGas IV Board of Directors was present and called the meeting to order.
- 2. Review and Approve Minutes.** Proposed minutes of the meeting of the Board of Directors held on December 5, 2018, of which copies had been delivered to all members of the Board of Directors prior to the meeting, were presented for approval.

Upon motion duly made, seconded, and unanimously carried, the Board of Directors resolved to **APPROVE** such minutes as presented.

- 3. Report of Executive Director.** Mr. Murphy began his presentation by discussing several Program update handouts related to: (1) sponsor fees benefiting the City of LaGrange; (2) the Program's unblemished collections record; (3) historic discounts provided to municipal buyers in the Program; and (4) MERC's ongoing activities relating to the protection, maintenance, and growth of the Program. He mentioned the Program has billed and collected in excess of \$3.7 billion from municipal utilities (with no late payments), and that the Program has provided savings to participating municipal utilities in excess of \$250 million. MERC continues its focus on compliance and regulations, municipal utilities' credits, and counterparty credits, and the Program continues to work as planned. Mr. Murphy explained that the pending TexGas IV transaction has been hampered by markets and internal issues with the prepaid seller (some of which might be, per BAML, resolved), but that the potential to reach closure on the new supply transaction remains, subject to a host of contingencies and markets.
- 4. Notice of Board Member Reappointments.** Mr. Weber notified the Board that on November 12, 2019, City Council reappointed John Cernosek and Janetta Morris as directors, each with terms expiring August 15, 2026.

Upon motion duly made, seconded, and unanimously carried, the Board of Directors resolved to **ACKNOWLEDGE** the reappointments of John Cernosek and Janetta Morris.

5. Election of Officers. Mr. Weber explained that the bylaws state that, while the City Council appoints the Board members, the Board must elect officers at least every two years.

Upon motion duly made, seconded and unanimously carried, the Board of Directors resolved to **APPROVE** the reelection of each officer in his/her current position for another two years.

THERE BEING NO FURTHER BUSINESS, upon motion duly made, seconded, and unanimously carried, the meeting was adjourned.

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Secretary