

The
JONES
LAW FIRM PC

January 15, 2025

Email

[Board of Directors, Dog Ridge Water Supply Corporation]
[Attorney for Dog Ridge Water Supply Corporation]

Re: Membership Rights and Voting Eligibility – Dog Ridge Water Supply Corporation

Dear Members of the Board of Directors:

I represent several members of the Dog Ridge Water Supply Corporation ("the Corporation"). It has been brought to my clients' attention that the Corporation has informed its membership that members who fail to pay the Corporation a new membership fee will be denied voting rights and the right to participate at upcoming member meetings. This letter serves as formal notice that any attempt to restrict the voting rights or participation of any qualified member at the upcoming annual meeting, including the right to participate in the election of directors and other member-driven decisions at duly called meetings, would violate the governing documents of the Corporation and Texas law.

The Texas Water Code (Chapter 67), Texas Business Organizations Code (Chapter 22), and the Corporation's governing documents, including its Articles of Incorporation, Bylaws, and Tariff, collectively safeguard members' rights to participate in corporate governance, including the election of directors.

Member Voting Rights Cannot Be Improperly Restricted:

No provision of the Corporation's governing documents permits revoking or suspending a member's voting rights, including the right to participate in the election of directors, based on retroactive fee assessments or procedural requirements not explicitly outlined. According to the by-laws of the Corporation, the right of any member to vote at any meeting shall be vested in those persons who are the record owners of the memberships as evidenced by the membership transfer book of the Corporation on the 15th day of the month preceding the month of the date upon which a meeting of the members is to be held.¹ A person's right to vote as a member of the Corporation may only be relinquished if said person's membership is cancelled,² liquidated,³ or transferred/assigned.⁴

Unless otherwise cancelled or liquidated, members are entitled to one vote per membership on matters requiring member approval, including the election of directors.⁵

Membership Fees and Transfers:

The Corporation may not collect a new membership fee from existing members unless explicitly authorized by its tariff or by-laws. A membership fee is paid to the corporation at the time new service is requested

¹ By-Laws of Dog Ridge Water Supply Corporation, Article XI – Member Voting

² Tariff of Dog Ridge Water Supply Corporation, April 10, 2023, Sections E(19)(d), (f)

³ Tariff of Dog Ridge Water Supply Corporation, April 10, 2023, Section E(19)(e)

⁴ Tariff of Dog Ridge Water Supply Corporation, April 10, 2023, Sections E(19)(c), (g)

⁵ Tariff of Dog Ridge Water Supply Corporation, April 10, 2023, Section E19(b); By-laws of Dog Ridge Water Supply Corporation, Article X, Section 2