



## *Mayor's Letter*

January 15, 2024

**ANNUAL AUDIT.** Our independent auditors presented the 2023 audit to the Town Council at our meeting on January 11th. We received a clean opinion – our 16th consecutive clean audit since I took over responsibility for the town's finances in 2007. These audits are required under State law and Securities Exchange Commission regulations and are mandated in our bond covenants. In addition to filing our annual report, I am required to make additional continuing disclosures under SEC Rule 15c2-12, and file those disclosures with The Municipal Securities Rulemaking Board (MSRB) prior to March 31

**Our financial position is very strong, our cash reserves are at a record high.** We have received nine building permits so far this year from Taylor Morrison (South Oak). In my meetings with them last week, they said to expect 100 permits this year (there are 285 houses in Phase 3). Although the project is outside of Lakewood Village, we receive a \$2500 inspection fee and a utility tap fee of \$4,350 for each building permit. In addition to this \$2 million from Taylor Morrison, the South Oak Public Improvement District has escrowed \$4.8 million to pay Lakewood Village to expand our water and sewer facilities.

**THE DEVELOPMENTS INSIDE OF LAKEWOOD VILLAGE** are underway, with grading almost complete and installation of water and sewer lines starting in February. The timeline is the same for the Northshore and the Arbors and Enclave developments. Pad-sites should be ready and the first houses underway in January 2025. Unlike other municipalities, we do not give builders financial incentives to build here – Lakewood Village is a premier location and we know what our vision is. We obviously don't need the money, so we negotiate deals that give us green space and financial flexibility. So, for example the Northshore development will pay the town approximately \$25,000 for every new house when they get a building permit. Similarly, the Arbors and Enclave developers will pay approximately \$15,000 per house and pay for the new traffic signal and our new town entrance features (waterfalls). Also, both developers agreed to widen Eldorado at their expense. In all, the developer agreements we have negotiated will provide several million dollars to the town over the next two to five years.

**WELL UPDATE.** On January 2 we had the initial meetings with Hydro Resources attorneys and began the formal default process. Their most recent schedule has the control panels and electrical work completed at the end of February. Final pump installation would follow, so they are saying early March for final completion. We are continuing to monitor their inactivity. I have gotten a few questions about the black poly line that is being used to supply water for the developer's grade work. This line is coming from a hydrant in Little Elm. We are not supplying any water to contractors. We will remain on water restrictions until the well is complete and we have approved final acceptance.

**POWER POLES.** The lane closures on Eldorado are due to the new power poles being installed by Oncor to extend their lines. If you look, you will see there are no poles in front of LWV. We met with Oncor and told them that we would not permit poles on our section of Eldorado. They agreed to go underground and bore it all the way to the Garza lane intersection at their expense. So, if you see power poles along the road, you're in LE, we don't do that inside Lakewood Village.

**Time to start planning that Spring Break travel. There's never been a better time to invest, live, and raise a family in Lakewood Village**

**Dr. Mark E. Vargus**  
Mayor