



Mayor's Letter July 15, 2023

2023-2024 BUDGET- TAXES CUT 20% At our meeting on Thursday, the Town Council approved our annual budget for next year (ending on September 30, 2024). **As part of the budget, we have reduced the Town tax rate from \$0.45 to \$0.36 per \$100 of valuation. This is a 20 percent reduction !** Even with the rate cut, we are still expecting a large surplus due to our new project's development fees and the start of Taylor Morrison's South Oak Phase 3. I am forecasting that we will end next year with \$3,000,000 in our general reserve fund. In order to pay off our road debt and become debt free (and tax free), we will need \$3,971,175 by February 1, 2027. That is the earliest date that we can redeem our 25 year bonds. I am confident that we will easily meet that deadline.

Sales taxes are a key component of our strategy to fund the city without property taxes. Over the last two years, we have successfully negotiated with businesses outside of Lakewood Village to be annexed into our town and provide us with sales taxes. I have also encouraged you when you buy online, never let anyone tell you that you live in Little Elm despite the zip code. **You have been doing a great job.** Last month our city sales tax collections were a record \$11,272. **That is for one month.** Let me put that in perspective. In 2010, our first year of sales tax collections, we received \$4,980 for the entire year. After increasing by 26 % last year, sales tax collections are up another 32 % so far this year. Our MDD sales tax collections are also at record highs. Keep up the good work and if possible use commercial businesses in the town. These sales taxes are key to eliminating our property taxes.

WATER UPDATE There is good news and bad news on the well. **First, the good news.** Using the test pump, we were pumping approximately 430 gallons per minute – this means that with the final pump installed we should be able to exceed our design goal of 500 gpm. Also, the water quality was excellent, with little sand and very low turbidity. The next step is the 36 hour pump-down test, where, during the continuous pumping, the aquifer is analyzed to determine the optimal pump size and placement location in the well. That is the plan. However,

The bad news is that the test pump failed before the 36 hour test could be completed. This caused a three week delay waiting on new hardware. **Today, the new pump arrived** and Hydro began lowering the new test pump into the well. The tests (including laboratory analyses) will be performed this week. Normally, the final pump would be ordered at the end of the test week and in about three weeks it would be installed and the project completed. However, there is currently a 90 day wait on CoServ to install the power to the well. This should have been done months ago, and this aspect of the job was poorly managed by Hydro. **We aren't waiting 90 days.** Our water situation is critical – I have decided to install portable generators to run the well until the permanent power is connected. I am working with our engineers to devise several temporary workarounds to get the water in the tanks using the test pumps and motors.

EXTENDED WATER EMERGENCY. The water restrictions remain in effect. Water usage significantly increased last month. It cannot increase again in August, so, regrettably we are going to have to step up the enforcement.

- (1) In-ground irrigation systems **can only be used from 9 a.m. to 9 p.m.** Usage is limited to two days a week.
 - Monday & Thursday: Carrie, Highridge, Hillside
 - Tuesday & Friday: Stowe, Woodcrest, Lakecrest, Meadowlake
 - Wednesday & Saturday: Melody, Green Meadow, Peninsula, Parkwood
- (2) Oscillating sprinklers on a hose are limited to one per property, and can operate on any day between the hours of 9 a.m. and 9 p.m. Hand watering and pool filling is allowed on any day between 9 a.m. and 9 p.m. Washing of cars and boats is permitted so long as the hose has an automatic shut-off nozzle.

Stay cool in the heat. There's never been a better time to invest and live in Lakewood Village.

Dr. Mark E. Vargus, Mayor