

**THREE LAKES WATER AND SANITATION DISTRICT  
RESOLUTION 2025-6-1**

**A RESOLUTION AMENDING THE RULES AND REGULATIONS  
OF THE DISTRICT**

WHEREAS, Three Lakes Water and Sanitation District (“District”) is a quasi-municipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Colorado Revised Statutes; and

WHEREAS, pursuant to Section 32-1-1001(1)(h), C.R.S., the Board of Directors of the District (the “Board”) has the power to manage, control, and supervise the business and affairs of the District and all construction, installation, operation, and maintenance of the District’s improvements; and

WHEREAS, pursuant to Section 32-1-1001(1)(m), C.R.S., the Board has the power to adopt, amend, and enforce rules and regulations not in conflict with the Constitution and the laws of this State for carrying on the business, objects and affairs of the Board and of the District; and

WHEREAS, on March 8, 2010, the Board adopted Rules and Regulations of the District, as amended (the “Rules and Regulations”); and

WHEREAS, pursuant to Section 11.9 of the Rules and Regulations, the Board has the right and authority to amend the Rules and Regulations at any time to reflect those changes determined to be necessary by the Board; and

WHEREAS, the Board hereby finds and determines that amending the Rules and Regulations as set forth herein is necessary for the protection of public health and the environment and to the function and operation of the District and is beneficial to the District and its customers.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Three Lakes Water and Sanitation District as follows:

1. The amendments to the Rules and Regulations set forth in Exhibit A, attached hereto and incorporated herein, are hereby adopted.
2. This Resolution shall take effect and be enforced immediately upon adoption of this Resolution.
3. If any section, subsection, sentence, clause or phrase of this Resolution is held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

4. This Resolution is and shall constitute a legislative measure of the District, which may be modified only by formal resolution of the Board of Directors.

ADOPTED this 10<sup>TH</sup> day of June, 2025.

THREE LAKES WATER AND  
SANITATION DISTRICT

By: *Scott Huff*  
Scott Huff (Jun 12, 2025 11:18 MDT)  
Scott Huff, Chairman

Attest:

*Jeannie Wilkinson*  
Jeannie Wilkinson, Secretary/Treasurer

## **EXHIBIT A**

### **Amendments to the District Rules and Regulations**

#### **CHAPTER 2, DEFINITIONS**

Chapter 2 is amended by adding the following new definition and renumbering the subsequent defined terms accordingly:

2.46 **SEPTIC SYSTEM** means an existing septic tank and leach field system that serves an existing building or structure.

#### **CHAPTER 3, USE OF DISTRICT FACILITIES**

Section 3.5 is amended by deleting the stricken text, as follows:

##### **3.5 POWER TO COMPEL CONNECTION**

The owner of any dwelling unit, business or other premises situated within the District where domestic or industrial wastes or wastewater are generated, stored or treated, shall be required at the owner's expense to install suitable toilet and/or wastewater facilities therein and to make application for and to connect such plumbing facilities directly or indirectly to the proper sewer main for the protection of the health, safety and welfare of the residents and visitors of the District. Such application shall, in accordance with the provisions of these Rules and Regulations, be made by the date set forth in the Compelling Connection Order~~6~~, which shall be...

Section 3.5.1 is amended by deleting the stricken text and adding the capitalized, double-underlined text, as follows:

##### **3.5.1 EXISTING HOMES OR STRUCTURES – EXTENSION OF TIME TO COMPLETE CONNECTION**

Periodically, District sewer mains are extended, allowing new properties to connect to the District's sewer system. The District provides an option for owners of premises containing an existing building or structure THAT IS SERVED BY A SEPTIC SYSTEM THAT IS LESS THAN FIFTEEN YEARS OLD who receive a Compelling Connection Order due to an extension of the sewer main to request additional time to complete the connection. Within 90 DAYS ~~two months~~ after the date of a Compelling Connection Order ~~issued~~ following A sewer main extension, an owner of premises ~~containing an existing building or structure~~ WITH A SEPTIC

SYSTEM INSTALLED LESS THAN FIFTEEN YEARS AGO may request, in writing, to have ~~five (5)~~ UP TO FIFTEEN years from the date of the Compelling Connection Order to complete the connection, SUBJECT TO THE REQUIREMENTS HEREIN.

THE LENGTH OF THE EXTENSION OF TIME TO COMPLETE THE CONNECTION TO THE SEWER WILL DEPEND ON THE AGE OF THE SEPTIC SYSTEM, BUT IN NO EVENT SHALL AN EXTENSION BE GRANTED FOR A SEPTIC SYSTEM THAT IS MORE THAN FIFTEEN YEARS OF AGE. FOR EXAMPLE, IF THE SEPTIC SYSTEM WAS INSTALLED ONE YEAR AGO, THE OWNER MAY HAVE UP TO FOURTEEN YEARS TO COMPLETE THE CONNECTION. IF THE SEPTIC SYSTEM WAS INSTALLED TEN YEARS AGO, THE OWNER MAY HAVE UP TO FIVE YEARS TO COMPLETE THE CONNECTION.

THE OWNER'S request shall be accompanied by A COPY OF THE SEPTIC SYSTEM PERMIT SHOWING DATE OF SEPTIC INSTALLATION, AND an inspection report from a qualified inspector, approved by the District, showing that ~~the existing septic tank and leach field system~~ SEPTIC SYSTEM has been tested and inspected and is in good working order and is not expected to reach the end of its useful life ~~within the next five (5)~~ PRIOR TO REACHING FIFTEEN years OF AGE.

If the District approves the request, the owner and the District will enter into ~~an agreement~~ A "CONNECTION AGREEMENT" in a form acceptable to the District and recorded AGAINST THE SUBJECT PROPERTY in the records of the Grand County Clerk and Recorder (~~"5 Year Connection Agreement"~~). The Connection Agreement will provide THAT:

- A. Owner agrees to complete the connection and abandon the ~~septic tank and leach field. In accordance,~~ SEPTIC SYSTEM in accordance with all requirements of the Grand County Health Department ~~within five years from the date of.~~
- B. OWNER AGREES TO COMPLETE CONNECTION AND ABANDON THE SEPTIC SYSTEM PRIOR TO EXPIRATION OF THE TERM OF THE AGREEMENT.
- C. IN THE EVENT OF EARLY TERMINATION OF THE CONNECTION AGREEMENT, THE OWNER AGREES TO COMPLETE THE CONNECTION AND ABANDON THE SEPTIC SYSTEM WITHIN TWENTY DAYS OR BEFORE OCTOBER 15<sup>TH</sup>

OF THE THEN-CURRENT CALENDAR YEAR, WHICHEVER OCCURS LATER.

- D. THE CONNECTION AGREEMENT WILL AUTOMATICALLY TERMINATE UPON THE OCCURRENCE OF ANY OF THE FOLLOWING EVENTS:
- (i) THERE IS A SEPTIC SYSTEM FAILURE OR A SIGNIFICANT DEFICIENCY THAT POSES A THREAT TO HUMAN HEALTH OR THE ENVIRONMENT;
  - (ii) THE SEPTIC SYSTEM FAILS AN INSPECTION OR ENVIRONMENTAL TEST;
  - (iii) OWNER FAILS TO TIMELY PROVIDE INSPECTION DOCUMENTATION TO THE DISTRICT;
  - (iv) SALE OF THE PROPERTY;
  - (v) OWNER (OR RELATED PARTIES) OBTAINS A BUILDING PERMIT TO EXPAND OR ENLARGE THE SQUARE FOOTAGE OF AN EXISTING BUILDING OR TO BUILD ANY NEW HUMAN-OCCUPIED BUILDINGS ON THE PROPERTY; OR
  - (vi) A SHORT-TERM RENTAL LICENSE IS ISSUED FOR THE PROPERTY.
- E. SEPTIC SYSTEMS LESS THAN TEN YEARS OF AGE MUST BE INSPECTED (BUT NOT PUMPED) EVERY FOUR YEARS. SEPTIC SYSTEMS BETWEEN TEN TO FOURTEEN YEARS OF AGE MUST BE INSPECTED (BUT NOT PUMPED) ANNUALLY. ALL INSPECTIONS MUST BE DONE BY A QUALIFIED INSPECTOR APPROVED BY THE DISTRICT. THE OWNER SHALL PROVIDE THE DISTRICT WITH A COPY OF THE INSPECTION REPORTS WITHIN 30 DAYS AFTER THE DATE OF INSPECTION.
- F. Owner agrees that the tap fee shall be due and payable to the District prior to connection, in the amount set by the District and in effect at the time of connection (unless owner provides a promissory note as set forth in subsection D below and timely makes all payments).

- G. In the case of an owner holding an existing tap, the owner who receives an extension of time to connect shall pay a capital improvement fee in the amount of the difference, if any, between the amount initially paid for the tap fee as shown on the District's records and the tap fee for the property in effect at the time of connection.
- H. If a line extension fee has been imposed on the property, pursuant to the line reimbursement program described in Section 9.2 of these Rules, the line extension fee will be due at signing of the ~~5-Year~~ Connection Agreement, in the case of a line extension financed by an extending owner, or prior to connection, in the case of a line extension financed by the District.

Section 3.6 is amended by deleting the stricken text and adding the capitalized, double-underlined text, as follows:

### 3.6 TEMPORARY VARIANCES FROM CONNECTION

Properties subject to a Compelling Connection Order by the District may request a temporary variance from connection. Any temporary variance request shall be made in writing, shall set forth detailed reasons for the requested variance and include at least one bid from a contractor of Owner's choosing for the construction work necessary to complete the connection. The District will typically also obtain a second, independent bid of the District's choosing, at Owner's expense.

The variance request shall also be accompanied by a variance fee in the amount set by the Board of Directors of the District, as a deposit to cover the District's estimated costs to process the variance, including the cost of obtaining the construction bid, costs of drafting and recording a variance agreement (if the variance is approved), and legal or engineering work related to the District's review of the request. The variance fee will be due regardless of whether the variance is approved, in accordance with Section 7.16 of these Rules.

In the case of an existing building or structure under a Compelling Connection ~~Order~~, the applicant shall have the burden of proving that it is not practical to require the connection and that the public health or environment will not be adversely affected if the variance is granted. If the Board determines that it is not practical to require the connection of the existing building or plumbing facilities to the sewer main owned by the District, and that the public health or environment will not be adversely affected, the Board may, in its discretion, grant a temporary variance and authorize an owner to continue use of its individual disposal system, temporarily.

A person seeking a temporary variance from connection to the District's sewer main for a proposed building or plumbing facilities that have not yet been constructed shall have the burden of proving that topography will not allow the connection without extreme hardship, or that the property owner cannot obtain an easement across private land, required to reach a sewer main of the District, or that there is another physical impediment to connection.

The Board may approve, conditionally approve or deny a temporary variance to connection request. The Board's decision shall be final and conclusive. Any approved, temporary<sup>22</sup> variance shall continue until one of the below-described circumstances occurs, upon which the variance will be automatically revoked and owner will be required to connect to the sewer system:

- A. Owner (or related parties) obtains a ~~B~~building ~~P~~permit to expand or enlarge the square footage of the building or to build any new human-occupied buildings on the property.
- B. ~~The septic tank and leach field system on the property~~ THE SEPTIC SYSTEM fails for any reason, or Owner's failure to comply with the testing and inspection requirements described below.
- C. The District determines that a change in circumstances allows the owner to economically connect to the District's sewer main.
- D. Sale of the property.

Any party granted a temporary variance from connection will be required, as a condition of receiving the variance, to enter into an agreement with the District setting forth the terms and conditions for the variance. ~~Said written Agreement~~ SUCH AGREEMENT shall be recorded ~~with~~ AGAINST the SUBJECT PROPERTY IN THE RECORDS OF THE Grand County Clerk and ~~Recorder's office so that future owners of said property shall be made aware of said Agreement~~ RECORDER.

As part of the written ~~Agreement~~, the owner shall commit to have the ~~septic tank/leach field system~~ SEPTIC SYSTEM tested and inspected every other year by a qualified inspector approved by the District, with the initial test and inspection occurring no later than December 31 of the first full calendar year after completion of the temporary individual disposal system or the granting of the temporary variance, whichever is later. Upon testing, a copy of the inspection report shall be forwarded to the District within thirty (30) days.

The owner of any property subject to a temporary variance from connection approved by the ~~d~~District shall be required to have the ~~septic tank/leach field system~~ SEPTIC SYSTEM tested and inspected every four (4) years by a qualified inspector approved by the ~~d~~District, with the initial test and inspection occurring no later than October 31, 2025. Upon testing, a copy of the inspection report shall be forwarded to the ~~d~~District within thirty (30) days. The testing and inspection requirements set forth herein apply to all temporary variances regardless of when, and upon what conditions, the variance was initially approved by the ~~d~~District.

If an inspection report indicates that the ~~septic tank/leach field system~~ SEPTIC SYSTEM is not in good working order and/or is expected to reach the end of its useful life within the next four (4) years, the owner shall either connect to the sewer system or make all necessary repairs and submit a new inspection report to the ~~d~~District within sixty (60) days. At any time, the ~~d~~District may notify ~~g~~Grand ~~e~~County of a failing ~~septic tank/leach field system~~ SEPTIC SYSTEM.

If a temporary variance to connection has been approved by the District's Board of Directors to a parcel of land that is vacant, the temporary variance shall expire three (3) years from the date of approval, if the ~~septic tank/leach field system~~ SEPTIC SYSTEM improvements have not been made prior to said date.

Section 3.6.1 is amended by deleting the stricken text and adding the capitalized, double-underlined text, as follows:

### 3.6.1 TEMPORARY VARIANCE FOR CONNECTION TO FUTURE PLANNED SEWER MAIN

The ~~d~~District may issue a temporary variance from a ~~e~~Compelling ~~e~~Connection ~~o~~Orders in the event that the ~~d~~District has identified the location of a sewer main to be constructed in the future and such main will provide a more practical connection point than the existing sewer main for an owner's premises, as determined by the ~~d~~District. There is no fee for a variance issued pursuant to this subsection 3.6.1.

Any party issued a variance pursuant to this subsection 3.6.1 will be required, as a condition of the variance being issued, to enter into an agreement with the ~~d~~District setting forth the terms and conditions for the variance. ~~Said written SUCH~~ agreement shall be recorded AGAINST THE SUBJECT PROPERTY with the ~~g~~Grand ~~e~~County ~~e~~Clerk and ~~recorder's office so that future owners of said property shall be made aware of said agreement~~ RECORDER.

As part of the written agreement, the owner shall commit to have the ~~septic tank/leach field system~~ SEPTIC SYSTEM tested and inspected every four (4) years



by a qualified inspector approved by the ~~d~~District, with the initial test and inspection occurring no later than December 31 of the first full calendar year after the issuance of the variance. Upon testing, a copy of the inspection report shall be forwarded to the ~~d~~District within thirty (30) days.

If an inspection report indicates that the ~~septic tank/leach field system~~ SEPTIC SYSTEM is not in good working order and/or is expected to reach the end of its useful life within the next four (4) years, the owner shall either connect to the sewer system or make all necessary repairs and submit a new ~~i~~inspection report to the ~~d~~District within sixty (60) days. At any time, the ~~d~~District may notify ~~g~~Grand ~~e~~County of a failing ~~septic tank/leach field system~~ SEPTIC SYSTEM.

The variance granted pursuant to this subsection 3.6.1 may be terminated by the ~~d~~District at any time, for any reason or no reason, including but not limited to: (a) failure of owner to abide by the terms of the agreement; (b) completion of the new sewer main that is expected to provide a more practical connection point to the owner's premises; or (c) abandonment or delay in completion of such new sewer main.

Section 3.9 is amended by deleting the stricken text and adding the capitalized, double-underlined text, as follows:

### 3.9 CONNECTION FINANCING PROGRAM

The District may offer to finance the costs of completing a connection to the Sewer Main, including the tap fee, line extension fee, if applicable, and/or connection and inspection permit fee, when an Owner elects, or is required, to abandon a ~~septic tank/leach field system~~ SEPTIC SYSTEM and connect to the Sewer Main, subject to the following conditions:

- A. Sufficient funds are available for the financing, as determined by the District in its sole discretion; and
- B. The owner shall pay the financed amount over four (4) years, with equal quarterly payments of principal and interest set at the prime rate, as determined by the District, plus one percent (1%). The owner shall sign a promissory note to the District at the time of the financing, which will be recorded with the Grand County Clerk and Recorder on the subject property. In the event that the owner signs a promissory note and timely makes all quarterly payments due to the District, any District fees will be charged at the rate in effect on the date of the promissory note, rather than the date of connection. The connection cannot be made until all applicable fees have been paid in full to the District.

## **CHAPTER 9, SEWER MAIN LINES**

Section 9.2 is amended by deleting the stricken text, as follows:

. . .

If the owner requests an extension of time to connect, as provided in Section 3.5 of these Rules, the line extension fee shall be paid: (1) upon signing of the ~~5-Year~~ Connection Agreement, in the case of a line extension fee to an extending owner; or (2) at the time of connection, in the case of a line extension fee paid to the District as reimbursement for a District-financed line extension.









# Resolution 2025-6-1 Amending Rules and Regulations Compelling Connection

Final Audit Report

2025-06-12

|                 |   |
|-----------------|---|
| Created:        | 2025-06-12                                  |
| By:             | Katie Nicholls (katie@threelakesws.com)     |
| Status:         | Signed                                      |
| Transaction ID: | CBJCHBCAABAAyvekG2GnJiw0_GYN8qPwBwTlyXftnBH |

## "Resolution 2025-6-1 Amending Rules and Regulations Compelling Connection" History

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