

**A RESOLUTION
OF THE CITY COUNCIL
OF THE CITY OF CHERRY HILLS VILLAGE
ADOPTING A RED FLAG POLICY AND ESTABLISHING
AN IDENTITY THEFT PREVENTION PROGRAM
FOR THE CITY OF CHERRY HILLS VILLAGE**

WHEREAS, pursuant to federal law the Federal Trade Commission (the "FTC") adopted Identity Theft Rules requiring the creation of certain policies relating to the use of consumer reports, address discrepancy and the detection, prevention and mitigation of identity theft; and

WHEREAS, the FTC regulations, adopted as 16 CFR § 681.2, require creditors, as defined by 15 U.S.C. § 1681a(r)(5), to adopt red flag policies to prevent and mitigate identity theft with respect to covered accounts; and

WHEREAS, 15 U.S.C. § 1681a(r)(5) cites 15 U.S.C. § 1691a, which defines a creditor as a person that extends, renews or continues credit, and defines 'credit' in part as the right to purchase property or services and defer payment therefore; and

WHEREAS, the FTC regulations include utility companies in the definition of creditor; and

WHEREAS, the City of Cherry Hills Village ("City") is a creditor with respect to 16 CFR § 681.2 by virtue of providing utility services, or by otherwise accepting payment for municipal services in arrears; and

WHEREAS, the FTC regulations define 'covered account' in part as an account that a creditor provides for personal, family or household purposes that is designed to allow multiple payments or transactions and specifies that a utility account is a covered account; and

WHEREAS, the City provides sewer services for which payment is made after the product is consumed or the service has otherwise been provided which by virtue of being utility accounts are covered accounts; and

WHEREAS, the FTC regulations require each creditor to adopt an Identity Theft Prevention Program which will use red flags to detect, prevent and mitigate identity theft related to information used in covered accounts; and

WHEREAS, customer accounts for development review and other services for which payment is made after the product is consumed or the service has otherwise been provided are covered accounts by virtue of being for household purposes and allowing for multiple payments or transactions; and

WHEREAS, the FTC regulations, adopted as 16 C.F.R. § 681.1, require users of consumer credit reports to develop policies and procedures relating to address discrepancies

between information provided by a consumer and information provided by a consumer credit company; and

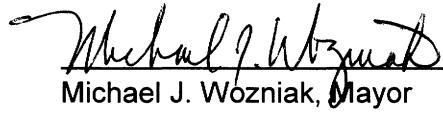
WHEREAS, the duly elected governing authority of the City of Cherry Hills Village is the Mayor and the City Council thereof.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Cherry Hills Village, Colorado that:

Section 1. The Red Flag Policy attached as Exhibit A is hereby adopted and approved.

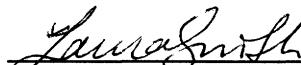
Section 2. This Resolution shall be in full force and effect upon its passage and adoption.

Introduced, passed and adopted at the regular meeting of City Council this 15th day of September, 2009, by a vote of 6 yes and 0 no.



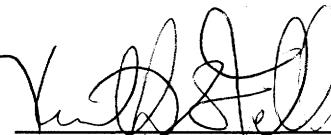
Michael J. Wozniak, Mayor

ATTEST:



Laura Smith, City Clerk

APPROVED AS TO FORM:



Kenneth S. Fellman, City Attorney

(SEAL)