COLORADO WATER RESOURCES &
POWER DEVELOPMENT AUTHORITY

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February 16, 2011

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

RE: SEC Ruling, File Number S7-45-10

Dear Ms. Murphy:

The Colorado Water Resources and Power Development Authority (Authority) appreciates the opportunity to provide comments on the SEC's proposed ruling regarding the definition of "municipal advisor" and at its January 26, 2011 meeting, the Authority Board specifically authorized a letter to the SEC to oppose this rule. Our comments focus on the exclusions from the definition of "municipal advisor" as proposed in Release 34-63576. Registration for municipal advisors should be tightened to prevent fraudulent activities and conflict of interest, but the proposed inclusion of appointed board members as municipal advisors would have serious adverse consequences to numerous local governmental agencies.

The only rationale for including officials that appears in Release 34-63576 is the statement that "appointed members, unlike elected officials and elected *ex-officio* members, are not directly accountable for their performance to the citizens of the municipal entity." We respectfully disagree with this statement and believe it does not reflect reality. The Authority's Board is appointed by the elected Governor of Colorado and is accountable to the public. The Board operates under State statutes established by representatives of the voters of the State of Colorado. The Board is subject to the same open meetings laws, public record laws, and code of ethics as agencies run by elected officials. The Authority's financial records are audited annually by an independent auditing firm approved by the Board of Directors. Finally, the stability and soundness of the Authority's financial management is regularly examined by outside bond rating agencies.

Many appointed boards in Colorado are subject to criteria that board members represent different backgrounds (e.g. water law, agriculture, engineering, planning, etc.) or geographic locations (e.g. river basins, Congressional districts, etc.). Requiring these appointed board members to register as municipal advisors would reduce those statutory criteria to secondary status. The requirement to register as municipal advisors would impose a financial burden on prospective appointees and would likely lead some current appointed board members to resign and probably reduce the number of citizens willing to volunteer to only a handful of people with a financial background. The requirement would also impose constraints on elected officials trying to make such appointments.

The Authority Board members have diverse backgrounds, experience and expertise they bring to their roles as policy makers. The Board, as the decision maker, hires independent third party experts on matters related to investments and bond issuance. The proposed rules confuses this role, suggesting that these board members, the intended beneficiaries of municipal advisor regulation, are "municipal advisors" themselves.

Excluding appointed board members from the definition of municipal advisor, as you have with elected board members, is consistent with the proposed SEC ruling because appointed board members are accountable to the public. Excluding appointed board members also avoids unintended consequences of limiting representative constituent groups to financial advisors and having a chilling effect on the transparency that already exists in open board meetings and discourse on matters related to bond issues.

Sincerely,

Michael Brod
Executive Director