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February 8, 2011

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



RE: File Number S7-45-10
Registration of municipal advisors under amended Section 15B of the Securities Exchange Act of 1934

Dear Ms. Murphy:

This letter serves as the comments of Bowling Green Municipal Utilities (BGMU) to the Securities and Exchange Commission's (the Commission) proposed rules regarding registration of municipal advisors. Specifically BGMU is interested in the Commission's interpretation of the "municipal employees" definition and the resulting impact on appointed members to the BGMU Board of Directors.

BGMU is a municipal corporation of the City of Bowling Green, Kentucky created by a City Ordinance passed in 1976. Additionally, BGMU operates in accordance with Kentucky Revised Statute 96.550 through 96.900. BGMU provides electric, water and sewer, and telecommunication services to the citizens and businesses of Bowling Green through three separate operating divisions. BGMU is governed by a 5-member Board of Directors. Per BG Ordinance No. 80-63, the Mayor appoints the members to the BGMU Board and the City Commission approves those appointments. One appointed member is an *ex officio* member of the City Commission. The City Commission must approve any water or sewer rates or bond/loan indebtedness. BGMU is a "municipal entity" for purposes of the Commission's proposed rules.

According to the Commission's comments as listed in Section II A (c) of the proposed rules published in the January 6, 2011 Federal Register, the Commission believes that appointed members to a municipal entity's governing body should not be excluded from the definition of a "municipal advisor" because of the Commission's concern that appointed members, unlike elected officials or *ex officio* members, are not directly accountable for their performance to the citizens of the municipal entity. Conversely, the Commission believes employees and elected members are accountable to the municipal entity for their actions and therefore should be excluded from the municipal advisor definition.

At the heart of the Commission's comments regarding appointed members to a governing body is the question of accountability. BGMU believes there are in fact and in practice many aspects of accountability to an appointed Board members actions and performance. BGMU believes those "accountability aspects" are:

1. BG Ordinance No. 80-63 and KRS 96.740 specify the qualifications to serve on the BGMU Board. Those qualifications include residency, citizenship, voter and taxpayer status along with prohibitions from holding or candidacy for public office, or a relationship to the Mayor or a member of the City Commission.
2. Board members may be removed from the Board for cause, inefficiency, neglect of duty, misfeasance, nonfeasance, or malfeasance.
3. Board member performance is considered by the Mayor if the member seeks reappointment for another term.
4. All BGMU Board meetings are subject to Open Meetings law, and per BGMU Board by-laws, are televised.
5. Board members, whether appointed or the *ex officio* member, are listed on the BGMU website and other publications, and have published numbers in the phone book. They receive calls and inquiries from citizens/customers on a regular basis regarding BGMU rates, policies and service.
6. Per state law, BGMU Board members are to perform their duties in good faith, on an informed basis, and in a manner he honestly believes to be in the best interest of the utility board or commission (KRS 96.533).
7. As a general rule, per state law, Board members have a fiduciary duty to serve the entity they govern. Failure to act in such a manner can result in personal liability.

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8. BGMU Board members are bonded, per local ordinance and state law.
9. Appointed members to the BGMU Board are compensated (\$200/month), which elevates their accountability to the entity from that of an "unpaid volunteer".

Appointed BGMU Board members come from many occupations and professions. They have included a home builder, a university administrator, business owners, a real estate broker, a helicopter pilot, a physician, a bank president, an attorney, an automobile dealer, a retail manager, etc. As a general rule, and in accordance with KRS 96.533, as they discharge their Board-related duties, they rely on information, opinions, reports, or statements, prepared and/or presented by reliable, competent employees of the utility; legal counsel, public accountants, or others as to matters the director honestly believes are within the person's professional or expert competence; or a committee of the Board if the director believes the committee merits confidence. Accordingly, an appointed Board member whose training or profession is not related to financial products or issuing municipal securities would not engage in "advising" BGMU about such matters, nor would the other Board members rely on such advice without confirming or relying on the advice of person(s) reliable and competent in such matters.

Based on the foregoing points, BGMU strongly disagrees with the Commission's interpretation of the "municipal employee" definition as it relates to appointed Board members and recommends that all Board members to a municipal entity's governing Board be considered a "municipal employee", and therefore exempt from "municipal advisor" registration.

Thank you for your time and consideration of our views in this matter. If you have any specific questions on the comments included in this response, please feel free to contact our General Manager:

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Sincerely,

BOWLING GREEN MUNICIPAL UTILITIES



Mark Iverson
General Manager