



Nueces River Authority

GENERAL OFFICE

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February 17, 2011

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

Re: Proposed Regulations on Municipal Advisor Registration: File No. S7-45-10

Dear Ms. Murphy:

The Nueces River Authority is a water conservation and reclamation district created by the Texas Legislature and governed by a Board of 21 Directors appointed by the Governor of Texas. At times, the Board issues bonds to finance water and pollution control related projects and it makes decisions regarding investment of the agency's funds. With every bond issue, the Board acts under the advice and direction of professional financial advisors and bond counsels. All of its investment actions are taken in full compliance with the Texas Public Funds Investment Act.

We are very concerned about Securities and Exchange Commission's (SEC) proposed rules released on December 10, 2010 that would require appointed board members of municipal entities to register with both the SEC and the Municipal Securities Rulemaking Board (MSRB) as municipal advisors if they provide advice on the issuance of municipal securities or the investment of public funds and the understanding that violators may be held civilly and criminally liable. We are concerned about our Board members having to comply with yet to be determined rules and examination requirements and the costs in time and money to the agency and Board members in complying with these rules.

In the 35 years I have been with this agency, I can think of only one Board member who was a registered financial advisor. Even when that person was serving on the Board, everyone knew that his and any other Director's financial advice was to be taken under advisement and that the Board would, in the end, rely exclusively on the advice and direction given by professional financial advisors, investment counsels, and bond counsels.

Our Board members serve, essentially, without pay. Their service is volunteered. Few, if any, have the time or interest in becoming registered financial advisors. The agency can not afford the cost that this certification process would, likely involve. Most importantly, the possibility that any violation of SEC rules could carry civil and criminal liability will prevent most people from wanting to serve on our

Board, and we would not be able to function.

I urge SEC to exempt governmental agencies such as ours from consideration under the proposed rules. Applying such rules to entities such as ours could have devastating consequences and no benefits to anyone.

Sincerely,

A handwritten signature in black ink, appearing to read "Con Mims". The signature is fluid and cursive, with a prominent initial "C" and "M".

Con Mims
Executive Director

Cc: Nueces River Authority Board of Directors