

Comment on Notice 2014-01

from Christopher Woodcock, Woodcock & Associates, Inc.

on Tuesday, January 14, 2014

Comment:

Woodcock & Associates, Inc. is a small (one person) organization that provides consulting services to municipal entities throughout the world related to the development of water and wastewater rates. Because our work sometimes involves recommendations on financing capital improvements, we sometimes provide recommendations regarding the amount and timing of municipal bond issues to finance capital programs that have been developed by others. We are not responsible for recommending actual bond issues or the types of issues - this is typically done by the municipality's Financial Advisor. Rather, we make broad recommendations on the mix of bonds and current revenues to use, and sometimes the timing of when bond proceeds may be needed.

We are also asked to provide consultant certificates on the adequacy of (water or wastewater) revenues to meet bonded debt requirements and annual coverage on revenue bonds. We have been doing this work for 20 years and are well known and respected throughout the USA.

We have never carried any professional liability insurance. We have found that it is not necessary and far too costly for a small organization. We hope that any new rules would not require such insurance. We have no problem disclosing our lack of such insurance and have not found this to be a problem with any of our 100+ clients. The requirement to carry such insurance may lead us to suspend the tangential services that would cause such a requirement. I do not believe that the removal of independent consultants that have no direct connection to the sale or marketing of securities or the choice of kinds of securities would be in the public interest.

The services we provide (water and wastewater rate consulting and revenue projections) are highly specialized and concentrated in a few dozen experts across the country; primarily in smaller firms. It is unclear where we would receive any formal training or continuing education since those of us at the top of this field are typically the ones putting on seminars and preparing manuals of practice (published by the American Water Works Association and Water Environment Federation, for example). Requirements for CEUs in our field would provide little, in any, added value to those that provide so much of the training.

While the cost and time involved with the registration as a Municipal Advisor with the MSRB is minimal, it is an added cost to smaller organizations such as ours. Following the new rules takes us away from work for our clients. At this point, the added time and expense is not excessive. We understand the need for the registration and oversight in this market sector and expect it will improve the services received by municipalities. We hope that any new rules or requirements will not cause additional burdens that we would not be able to meet.

Thank you for the opportunity to comment.