

RATINGS UPGRADE REPORT
[SEC RULE 15c2-12(b)(5)]

March 26, 2018

CITY OF NEW ORLEANS, LOUISIANA
SEWERAGE AND WATER BOARD

DRAINAGE SYSTEM BONDS, SERIES 2014

The New Orleans Board of Liquidation, City Debt; City of New Orleans, Louisiana (the "Issuer" or the "City") hereby submits on behalf of the Sewerage & Water Board of New Orleans a continuing disclosure as a result of a rating upgrade from Standard & Poor's (S&P) Global Ratings on March 21, 2018, pursuant to SEC Rule 15c2-12 with respect to the above captioned bonds (the "Bonds"). On March 21, 2018, S&P Global Ratings upgraded its underlying rating on New Orleans, Louisiana Drainage System Refunding Bonds, Series 2014; to AA- from A+, while affirming the stable outlook on these limited tax bonds. The rating upgrade is based on the application of S&P Global Ratings criteria, titled "Issue Credit Ratings Linked To U.S. Public Finance Obligor's Creditworthiness," published January 22, 2018. These criteria include debt backed by an obligor's limited ad-valorem property tax pledge, even if that pledge is dedicated for debt service.

CITY OF NEW ORLEANS, LOUISIANA

/s/ David W. Gernhauser
Secretary,
Board of Liquidation, City Debt

\$14,900,000
DRAINAGE SYSTEM BONDS, SERIES 2014

CUSIP NUMBERS

<u>MATURES</u>	<u>CUSIP</u>
December 1, 2018	64763F TE9
December 1, 2019	64763F TF6
December 1, 2020	64763F TG4
December 1, 2021	64763F TH2
December 1, 2022	64763F TJ8

RatingsDirect®

Summary:

New Orleans; General Obligation

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Credit Profile

New Orleans audubon comm aquarium tax bnds ser 2011A-1 dtd 09/22/2011 due 10/01/2014-2021		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Upgraded
New Orleans dr sys rfdg bnds ser 2014 dtd 11/20/2014 due 12/01/2014-2022		
<i>Long Term Rating</i>	AA-/Stable	Upgraded
New Orleans taxable ltd tax rfdg bnds ser 2012 dtd 10/23/2012 due 09/01/2015-2027 2030		
<i>Long Term Rating</i>	AA-/Stable	Upgraded
New Orleans taxable ltd tax rfdg bnds ser 2012 dtd 10/23/2012 due 09/01/2015-2027 2030		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Upgraded
Union Parish School Board, Louisiana		
Union Parish Cons Sch Dist #1, Louisiana		
Union Parish School Board (Union Parish Cons Sch Dist #1)		
<i>Unenhanced Rating</i>	A(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

Rationale

S&P Global Ratings took various rating actions on certain limited-tax debt belonging to Louisiana issuers. The rating actions are based on the application of our criteria, titled "Issue Credit Ratings Linked To U.S. Public Finance Obligors' Creditworthiness," published Jan. 22, 2018, on RatingsDirect.

As outlined in our article, titled "Credit FAQ: An Overview Of S&P Global Ratings' Updated Methodology For Issue Credit Ratings Linked To U.S. Public Finance Obligors' Creditworthiness," Jan. 22, 2018, we apply the revised criteria to all new issues and surveillance reviews. We plan to complete our review of existing ratings covered by these criteria within 18 months. Furthermore, we intend to prioritize our reviews on issues that are likely to have a significant change.

For these issues, we generally rate the limited-ad valorem property tax debt on par with the obligor's general creditworthiness as reflected in the rating on the unlimited-tax general obligation bonds (or issuer credit rating). For more information, see "Criteria FAQ: S&P Global Ratings' Approach To Rating U.S. Local Government Bonds Secured By Dedicated Limited Ad Valorem Tax Pledges," published Feb. 5, 2018.

These criteria include debt backed by an obligor's limited-ad valorem property tax pledge, even if that pledge is dedicated for debt service. In some cases, this represents a change from our past approach, where we applied our Special Tax Bonds criteria, published June 13, 2007, to certain dedicated limited-tax obligations. The Special Tax Bonds criteria, as they relate to dedicated property tax obligations, are superseded following the release of the Ratings Linked criteria. In our view, the likelihood of payment is tied to the credit fundamentals of the obligor, and resources are generally fungible even if specific revenues are designated for a particular purpose. We typically consider these

limited-ad valorem property tax pledges as general operating pledges. We believe property taxes are closely linked to an issuer's core operating risk, and thus, debt repayment risk. Property taxes levied for all purposes share the lien on the property being taxed, making it harder, in our view, to separate revenues pledged for different purposes such as operations.

For additional information and for examples of when we might rate an issue a notch or more below the issuer credit rating, please see the published criteria.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on the S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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