

## City of Detroit Bankruptcy: Detroit Water and Sewerage Department

---

Marc Swanson, with a team of Miller Canfield attorneys, represented the City in an appeal to the Sixth Circuit Court of Appeals regarding challenges to the Detroit Water and Sewerage Department's ability to collect past due bills and set rates according to the cost of providing services. Plaintiffs attempted to convince the court to force the City to set water rates based on income levels, as opposed to the actual cost of the utility consumed and the cost to the City of providing it. Plaintiffs also requested an injunction barring water shutoffs for past due bills. On appeal, Marc Swanson successfully argued that Congress made it very clear that bankruptcy courts did not have this authority in a chapter 9 bankruptcy case, but even if they did, the plaintiffs failed to state any valid claims. The court unanimously ruled in favor of the City and affirmed the dismissal of the plaintiffs' complaint. The opinion is recommended for publication in next set of opinions issued. Further, this opinion clarifies previously unclear areas of the law and sets binding precedent for future municipal bankruptcies. The City also preserved its ability to continue with a more confident and stable revival.