FOR IMMEDIATE RELEASE:
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WASHINGTON, D.C. -- U.S. Sen. Bill Armstrong (R-Colo.) today reintroduced his bill to resolve the financing snag of the Dallas Creek Project near Montrose.

The measure clears up a legal doubt about the "repayment contract," an arrangement for local water users to pay a share of the project costs, Armstrong said. "This is the same bill a Senate committee approved last year by a vote of 15 to one, so I am very optimistic of early congressional approval," he added.

Congress failed to act on the bill in the closing days of December's post-election session.

Armstrong said the measure reaffirms the original Dallas Creek contract, which capped the local share of costs at $38 million. "Without the protection of this bill," he said, "water users in the Montrose and Delta area might find themselves liable for twice that amount, due to project cost overruns."

According to Armstrong, local water users made a "shrewd bargain" in 1978 when they insisted on the cost cap. "This bill is designed to confirm that bargain and the strong equities it established," he added.

In addition, Armstrong said the Reagan Administration has assured him it intends to honor the contract. He added that the bill "will keep future administrations honest and eliminate any doubt about the fact that we are going to move full speed ahead on Dallas Creek."

The project, now in its second phase of construction, is scheduled for completion in July of 1986 and will begin storing 55,000 acre-feet of water for a variety of uses, including agricultural, recreational, municipal and industrial.