

**AGREEMENT FOR RELOCATION OF M&T/PARROTT PUMPING PLANT
PROVIDING FOR BYPASS OF FLOWS IN BUTTE CREEK**

RECITALS

1. M&T Chico Ranch ("M&T") and Parrott Investment Company ("PIC") are the holders of certain water rights to the waters in Butte Creek, a tributary of the Sacramento River, to serve their respective properties shown on the map attached hereto as Appendix A and incorporated herein by reference thereto. The rights include rights to divert so-called "foreign" water (i.e., waters transferred into the Butte Creek watershed from other watersheds by PG&E in connection with upstream hydroelectric facilities) and certain appropriative rights. The rights of M&T and PIC are also described and incorporated in adjudications with respect to the waters of Butte Creek. The Butte Creek waters to which M&T and PIC have rights are referred to herein as the "Butte Creek Waters".

2. M&T and PIC have entered into an Agreement dated April 22, 1991 (referred to by the parties in other documents and herein as the "M&T Agreement") concerning management, maintenance, operation, and expansion of certain water delivery facilities used by M&T and PIC to deliver Butte Creek Waters and waters diverted by M&T and PIC from the Sacramento River (such waters being referred to herein as the "Sacramento River Waters") to their respective properties. The Butte Creek Waters and the Sacramento River Waters are delivered to the properties of PIC and M&T through various canals and other works, with the water to be delivered to PIC being delivered to the northerly boundary of the PIC property.

3. The United States Fish and Wildlife Service ("FWS") and the California Department of Fish and Game ("CDF&G") are the owners of and/or have easements in certain parcels of property described in Appendix B, attached hereto and incorporated herein by reference thereto.

FWS, CDF&G, The Nature Conservancy, and PIC have entered into an agreement dated April 25, 1991 entitled Agreement Concerning Joint Management of Water and Other Matters Pertaining to Parrott Ranch Property (referred to by the parties in other documents and herein as the "Joint Management Agreement") concerning the conveyance of land (fee title and easement), management, and water supply and conveyance. The fee title and easement interests held by FWS and CDF&G were acquired from PIC, together with the nonexclusive right to use waters as specified in the Joint Management Agreement. The rights of use acquired by the FWS and CDF&G are expressly subject to the terms of the M&T Agreement. By virtue of the acquisition from PIC, and as specified in the Joint Management Agreement, FWS and CDF&G have a nonexclusive right to use Butte Creek Waters and Sacramento River Waters to be delivered through the Phelan/Parrott canal derived from the rights of PIC, subject to the terms of the M&T Agreement.

4. The United States Bureau of Reclamation (USBR) is the owner and operator of the Central Valley Project of California and, in accordance with the operations of said project, the USBR provides water to M&T under Contract No. 14-06-200-940A dated May 25, 1964.

5. M&T and PIC are the owners of a surface water pumping plant located on Big Chico Creek in Butte County, California. The pumping plant is used to provide Sacramento River Water service to lands of PIC, M&T, FWS, and CDF&G. The pumping plant is operated pursuant to the terms of the M&T Agreement.

6. (a) The parties to this agreement have acquired funding from a variety of sources to (i) relocate the pumping plant to a point on the Sacramento River, (ii) enhance the capacity of the pumping plant, and (iii) provide the pumping plant intakes with fish screens.

(b) Funding is being pursued by FWS to provide adequate downstream canal

capacity to meet the requirements of the water users. Moving and upgrading the pumping plant will enhance stream flow conditions in Big Chico Creek for the benefit of chinook salmon and steelhead. The existing pumping plant location and the new location are both shown on the map attached hereto as Appendix C and incorporated herein by reference thereto. The facilities to be constructed are described in exhibit (A).

(c) FWS and CDF&G will provide criteria for design of the fish screens, will review the design to insure it incorporates said criteria, and will inspect the construction and installation of the screens for consistency with said design. Review by FWS and CDF&G will not render them liable for defects in material and workmanship. M&T and PIC will be given an adequate opportunity to review and have input into the final plans and specifications. The plant will be constructed and completed in accordance with the final plans and specifications. PIC and M&T shall be responsible for the adequacy and operation of the pumping plant as a water diversion and delivery system. The pumping plant will be constructed in accordance with the policies and procedures established by the Wildlife Conservation Board, Ducks Unlimited, Category III, and Central Valley Project Improvement Act, hereinafter referred to as the Funding Partners. The sources of which are stated in Appendix D, attached hereto and incorporated herein by reference thereto.

(d) The Funding Partners have imposed a requirement that M&T and PIC, to whom ownership of the pumping plant will be transferred upon completion, contribute to the project by providing waters to be used by FWS and CDF&G for the enhancement of instream flows in Butte Creek to improve the habitat in that watercourse for chinook salmon and steelhead. To accomplish this purpose, the parties M&T, PIC, CDF&G, and FWS agree to forego diversion from Butte Creek of certain Butte Creek Waters that they would otherwise be able to divert to enhance instream flows

in the amounts specified herein. The term "Bypass Waters" as used in this Agreement shall mean that amount of Butte Creek Waters otherwise available to M&T and PIC for diversion that will not be so diverted during the Bypass period, as defined in Section 1 of this Agreement.

7. The parties desire to enter into agreements containing the following elements:

(a) Commitment of FWS and CDF&G, with the diligent cooperation of M&T and PIC, to assist in obtaining the full funding necessary to relocate the pumping plant, including necessary design, environmental review, construction and supervision, contingencies, power supply, and overruns, if any.

(b) Exchange of the portion of the Butte Creek Waters to be bypassed by M&T and PIC for equivalent flow of water to be available at the relocated pumping facilities in the Sacramento River so that a fixed flow of water can remain in Butte Creek to its eventual confluence with the Sacramento River for the improvement of conditions beneficial to chinook salmon and steelhead in Butte Creek. FWS and CDF&G shall diligently cooperate with M&T and PIC to finalize said exchange or otherwise obtain additional water from the Sacramento River to replace any portion of Butte Creek Waters bypassed for enhancement of instream flows so that M&T and PIC (and FWS and CDF&G, as successors to PIC with respect to the properties and interests that they hold) shall suffer no net loss in water available to them from all sources by reason hereof.

(c) PIC and M&T may divert that portion of the Bypass Waters in excess of 25 cfs that is available to M&T and PIC during the period October 1 through November 15 in any year where the water is required for seasonal waterfowl habitat on the PIC and M&T lands and withholding of the water from Bypass Waters will not harm chinook salmon and steelhead resources in Butte Creek as reasonably determined in advance by FWS and CDF&G fishery biologists.

(d) Any future policy developed by the CDF&G and FWS to provide a "Safe Harbor" concept with respect to fish screens shall be incorporated into this agreement. Furthermore, CDF&G and FWS will facilitate execution of Memoranda of Understanding, pursuant to Section 2081 of the California Fish and Game Code, and incidental take permits pursuant to Section (a) and (2)(a) of the Endangered Species Act of 1973, as amended, for appropriate state and federal listed species.

AGREEMENT

1. In recognition of the foregoing, the signatories hereto agree as follows: This agreement shall be effective and binding upon the parties upon execution, subject to the terms and conditions herein contained. Upon completion of construction and delivery of title to the pumping plant, and upon request from FWS and CDF&G delivered in writing, M&T and PIC shall not exercise their diversion rights to Butte Creek Waters and shall provide Bypass Waters past their existing point of diversion known as the Parrott-Phelan Dam on Butte Creek in the total amount of the flow of Butte Creek Waters or 40 cfs, whichever is the lesser, for the period October 1 - June 30 (the "Bypass Period"). Bypass Waters shall be left in Butte Creek to its confluence with the Sacramento River for enhancement of instream flows.

2. The amount of Bypass Waters shall be allocated between M&T and PIC as they shall agree in writing.

3. For each cfs of Bypass Waters in Butte Creek in accordance with this agreement, M&T and PIC shall be allowed, in exchange therefore, to divert an equivalent quantity ("Exchange Water") from the Sacramento River at the pumping plant proposed to be relocated under the terms and conditions of this agreement. Said Exchange Water will be ordered, delivered, and paid for as

provided in the M&T Agreement and the Joint Management Agreement regarding water management.

4. The quantities of Exchange Water provided for in paragraph 3 shall be in addition to any other water rights, quantities, or entitlement available to M&T and PIC at the pumping plant and in Butte Creek and shall in no way limit or reduce the amount of water that may be taken by said entities in accordance with their other water rights from said facilities.

5. M&T and PIC shall cooperate as required to obtain the appropriate authority for the exchange contemplated herein and the other provisions hereof from the Superior Court of the County of Butte, the Water Resources Control Board of the State of California, and the USBR. FWS and CDF&G shall cooperate as reasonably requested in obtaining such authority. The parties acknowledge that consummation of the exchange will depend upon assurance by the USBR and others that Bypass Waters in Butte Creek in fact returns to the Sacramento River (as they will be required to do in order to improve in-stream habitat for chinook salmon and steelhead).

6. FWS and CDF&G agree that if any court or administrative agency should hereafter hold or require that diverters from Butte Creek should contribute bypass flows to improve the instream flow conditions in Butte Creek, then the flows provided hereunder by M&T and PIC should be credited against any such obligation imposed on them; and FWS and CDF&G shall diligently seek to obtain such flows from other Butte Creek diverters before seeking any additional flows from M&T and/or PIC beyond those provided for herein. Notwithstanding the foregoing, this Agreement shall not constitute an admission or contention by M&T, PIC, FWS, and/or CDF&G that any such requirement for additional instream flows may lawfully be imposed or ordered.

7. FWS and CDF&G agree that as long as Bypass Waters is made available, they shall

have no further right to use any other water diverted by PIC and M&T from Butte Creek, it being understood that PIC and M&T shall be entitled to the use on their lands of any additional waters of Butte Creek available for diversion by them at the Parrott-Phelan Dam. Notwithstanding the foregoing, should additional water be available to M&T and PIC at the Parrott-Phelan Dam in Butte Creek, and neither M&T nor PIC has use for such water, then water shall be made available to FWS and CDF&G in lieu of pumped water.

8. M&T and/or PIC will operate and maintain the new pumping plant in accordance with generally accepted standards for similar facilities. General accepted maintenance standards will include, but not be limited to, regular removal of normal sediment and debris from the intake structure, regular repair and maintenance to ensure functionality of all structural components of the new plant, and compliance with all manufacturers' service requirements for maintenance of pumps, motors, and any associated equipment. All parties will diligently assist in obtaining any necessary permits for maintenance of the pumping facility.

9. Whenever Exchange Water or other water to be delivered at the pumping plant is not available or otherwise non-deliverable due to failure of supply or delivery capacity, and said failure of supply or delivery capacity is not the result of failure on the part of M&T and/or PIC to maintain and operate the pumping plant in accordance with generally accepted maintenance standards for comparable facilities, then Butte Creek Waters, up to the full quantity of PIC's and M&T's rights thereto, in excess of 25 cfs during a Bypass Period, shall be available to M&T and PIC at the Parrott-Phelan Dam on Butte Creek upon demand of M&T and PIC. Not less than seven (7) days prior to such demand, M&T and PIC shall notify FWS and CDF&G of such requirement for water, unless a shorter time is agreed to by all parties in writing. It shall be the goal of all parties to protect critical

crop, fishery, and wildlife and balance these needs in periods of shortage for the reasons specified in this paragraph.

10. M&T and PIC, and each of them, upon receiving notice from FWS and CDF&G to do so, shall take all appropriate legal action available, including the commencement, prosecution, or defense of appropriate legal or administrative action, to prevent the hostile, adverse, unreasonable demands or diversions of water by others of Butte Creek Waters above the Parrott-Phelan Dam. The parties shall cooperate to provide legal and technical support to M&T and PIC in defense of said rights as may be requested. To avoid frustration of the purpose of this agreement, FWS and CDF&G shall diligently seek to assure that Butte Creek Bypass Waters are protected against downstream diversion and remain in Butte Creek to its confluence with Sacramento River below the M&T/PIC diversion point. All parties shall diligently defend against adverse claims to Butte Creek Bypass Waters.

11. This Agreement shall never be construed as a conveyance, abandonment, sale, or waiver of any rights of PIC and M&T to Butte Creek Waters or as conferring any right whatsoever upon any person, public agency, firm, or corporation, to effect or interfere in any manner with the full rights of M&T and PIC to the use of Butte Creek Waters, in channels, sloughs, and tributaries except as specifically set forth herein. Neither M&T nor PIC warrant, represent, or guarantee the water rights from which the Bypass Waters are derived. Future judicial or administrative orders limiting or reducing such rights shall not constitute a default under this Agreement.

12. Nothing herein contained shall serve to diminish or reduce any right of M&T and/or PIC to Butte Creek Waters; nor shall FWS and CDF&G assert any ownership of such rights beyond the entitlement to use of waters expressly conferred upon them under their acquisitions from

PIC and as specified in the Joint Management Agreement and subject to the M&T Agreement, it being the intention of this agreement to provide for the delivery of equivalent quantities of water to M&T and PIC, under and in conformance with their rights to Butte Creek Waters, on the Sacramento River at the foregoing described pumping plant. Said exchange shall not, by virtue of this agreement, be considered as a contract for the supply of water from the Central Valley Project nor shall M&T and PIC be considered contractors of the Central Valley Project, it being the intention of this agreement to effectuate a change in the point of diversion of existing rights of PIC and M&T in order to permit water otherwise available for the diversion to remain in Butte Creek to its confluence with Sacramento River.

13. M&T and PIC shall remain responsible for the use, control, diversion, and redirection of Butte Creek Waters referred to under the terms and conditions of this agreement, all as provided in the M&T Agreement and the Joint Management Agreement and the water rights referred to therein; provided, however, that neither M&T nor PIC shall have any responsibility for securing the enhanced flows in Butte Creek desired by FWS and CDF&G beyond their agreement to bypass available water as expressly stated herein. Neither FWS nor CDF&G shall be responsible for the carriage, control, and delivery of water provided to M&T and PIC (and FWS and CDF&G as specified in their respective agreements with PIC) except as expressly otherwise provided in the M&T Agreement and Joint Management Agreement between PIC, FWS, and CDF&G. No change in existing rights of M&T and PIC, as set forth in the water rights decrees, permits, and licenses for Butte Creek, or as set forth in any contracts for the delivery of water from the Sacramento River currently in force and effect, or in connection with delivery of water, the rights to which are claimed as riparian or pre-1914 appropriative rights by M&T and/or PIC, or any entitlement to the use of

water acquired by CDF&G and FWS under the Joint Management Agreement, shall be affected by the terms and conditions of this agreement.

14. The obligation to provide Bypass Waters shall commence upon the completion of the following events:

(a) Construction of the pumping plant according to approved plans and specifications, as generally described in contract No. CA-0062-0001 awarded to Montgomery Watson and delivery of title thereto, without cost, to M&T and PIC in a manner satisfactory to M&T and PIC as evidenced by their written confirmation of acceptance.

(b) Receipt of all warranties and guarantees for the satisfactory installation of the civil, electrical, and mechanical components of the pumping plant and screens, and canal improvements with assignment of enforcement rights jointly to FWS, CDF&G, PIC, and M&T.

15. In accordance with Section 8.0 of the M&T Agreement, no party to this Agreement, their agents or successors, shall argue for or contest the water rights of M&T and PIC. Nothing herein contained shall be deemed to require FWS and/or CDF&G to take any action which is contrary to the law establishing or controlling such agency, or require them to refrain from taking action required of said agency by law.

16. The operating cost of the pumping plant and the cost of capital additions, replacements, and repairs thereof shall be allocated as provided in the M&T Agreement. As between PIC, FWS, and CDF&G, the costs of delivery of water downstream of the regulating reservoir on M&T property shall be allocated between PIC, FWS, and CDF&G as provided in the Joint Management Agreement.

17. Notwithstanding anything to the contrary herein contained, the obligation of M&T

and/or PIC to provide for bypass of Butte Creek Waters for instream flow enhancement in excess of 25 cfs (13,500 acre-feet annually) during the Bypass Period (October 1 through June 30) shall be limited as hereinafter defined.

(a) The total annual cost of water pumped from the Sacramento River to replace Butte Creek Waters in excess of 25 cfs (13,500 acre-feet annually during the Bypass Period) and not to exceed 7.5 cfs (4,050 acre-feet annually during the Bypass Period) each for M&T and PIC, referred to herein as "Substitute Waters", shall not exceed a capped amount, as hereinafter defined. The amount paid for Substitute Waters each by M&T or PIC, during the initial Bypass Period shall not exceed \$17,000, referred to herein as "Capped Amount", for the entire Bypass Period. The Capped Amount shall be adjusted annually in accordance with the U.S. Department of Labor, Bureau of Labor Statistics Producer Price Indexes, Fuel and Related Products and Power Index. The Capped Amount will under no circumstances be reduced below \$17,000.

(b) If either M&T or PIC determines that it has incurred costs that exceed the Capped Amount for any Bypass Period, it shall notify FWS and CDF&G in writing not later than August 15 for the Bypass Period ending on the immediately preceding June 30. The notice shall be accompanied with supporting data and information to establish how M&T and/or PIC (whichever is the claiming party, referred to herein as the "Claiming Party") has determined that the limit has been exceeded and the extent of the excess. The Claiming Party shall provide CDF&G and FWS representatives such access as they may reasonably require to the cost and diversion records upon which the Claiming Party relies for determining that the Capped Amount has been exceeded.

(c) As soon as reasonably possible after receipt by FWS and CDF&G of a notice delivered pursuant to subparagraph (b) above, the parties shall meet and confer to determine

the best method for adjustment of bypass requirements hereunder so that the cost of Substitute Waters for ensuing Bypass Periods shall not exceed the Capped Amount specified in subparagraph (a) taking into account, to the extent possible, a reasonable balance of fisheries needs, other beneficial uses served by the waters, and the rights of M&T and PIC to incur no higher costs for Substitute Waters than the Capped Amount. The purpose of the meeting shall be to derive a method for reduction of the bypass commitment to enable a lesser use of Substitute Waters so that the cost thereof will remain within the Capped Amount.

(d) If the parties are unable to agree to an appropriate reduction as specified in subparagraph (c), then the Claiming Party shall have the right to reduce its current bypass commitment for Substitute Waters only, as specified in subparagraph (a), but only to the extent necessary to reduce its costs to the Capped Amount as specified in subparagraph (a). The agencies at their sole discretion shall have the option to reimburse the Claiming Party for the cost of the Substitute Waters in excess of the Capped Amount in lieu of the Claiming Party reducing its current bypass commitment. The inability of the parties to agree pursuant to subparagraph (c) above shall not reduce the obligation of the Claiming Party to adjust its bypass commitment in order to reduce its costs of Substitute Waters in a manner it reasonably determines will do the least harm to fisheries resources, taking into account the data reasonably available to it.

(e) If the bypass commitment of any Claiming Party is reduced pursuant to subparagraph (c) or (d) above, such reduction shall not carry over to future Bypass Periods beyond the Bypass Period next ensuing. The bypass commitment for Substitute Waters for later periods shall be restored to the full amount subject to reduction for those future years in which the limit stated in subparagraph (a) is exceeded.

18. The cost to CDF&G and FWS for water received from the Sacramento River pump station shall be the same cost per acre-foot as the cost to M&T and PIC for pumping, conveyance, and delivery charges to the PIC meter at the outlet of the regulating reservoir on M&T property. In addition, CDF&G and FWS shall pay to PIC the cost of delivery downstream of the PIC meter in accordance with the Joint Management Agreement for such waters.

19. The parties (M&T, PIC, FWS, and CDF&G) agree that the water exchange initiated in this agreement will require additional monitoring and measurement of flows to ensure compliance, both as it relates to the respective obligations of the parties to this agreement, and as it relates to the requirements of any subsequent agreement with either the USBR or State Water Resources Control Board for exchange of flows in Butte Creek for flows in the Sacramento River. The Funding Partners shall purchase and install at the new pumping facility, a flow measuring device with the capability of measuring any and all flows delivered through the pumping facility from the Sacramento River. Flow measurements will be permanently recorded and will be available to all parties to this agreement. M&T and PIC agree, subject to availability of funds provided by other than M&T or PIC, to operate the existing flow measuring device currently in existence in the canal below their Butte Creek diversion, during additional periods of diversion other than as currently required (April through October) by agreement with the California Department of Water Resources. Any additional funds provided will be applied only to additional periods of flow monitoring beyond those currently required under existing agreements. M&T and PIC agree that all Butte Creek flows so measured, will be permanently recorded and available to all parties to this agreement.

DISPUTE RESOLUTION

1. MEET AND CONFER. Should there arise a dispute among the Parties with respect to the enforcement or implementation of any provision of this Agreement the Parties shall meet and confer in good faith to attempt to resolve the dispute. If the dispute is not resolved to the satisfaction of all Parties, a complaining party may provide a written notice which sets forth a description of the dispute to each of the other Parties.

(a) Should the Parties be unable to agree upon a resolution of the dispute within 30 days of the notice from the complaining Party, that Party may either (1) commence an action to enforce the provisions of this Agreement, or (2) submit the matter for dispute resolution. A complainant Party may not commence an action to enforce the provisions of this Agreement, or commence dispute resolution procedures set forth below, unless that Party has first complied with the foregoing meet and confer provisions.

2. MEDIATION OR ARBITRATION. Following notice of commencement of dispute resolution, a mutually acceptable mediator or arbitrator will be retained to assist the Parties in resolving the issue. After giving each Party an opportunity to represent its views on the dispute, the mediator or arbitrator will issue a written decision which resolves the dispute and written notice setting forth the decision to the Parties.

(a) If the Parties are unable to mutually agree upon a mediator within 30 days of the notice which commenced the dispute resolution process, a complaining Party may commence an action to enforce the provisions of this Agreement. If a complainant Party decides to commence litigation over the dispute, the Party must provide a written notice of such intent to each of the other Parties. The written notice must be provided within 45 days of the notice which commenced the

dispute resolution process.

(b) Unless otherwise mutually agreed by the Parties, the decision of the mediator shall not be required to be implemented until 14 days after the date of the notice of the decision. If the decision of the mediator becomes the subject of litigation, implementation of the decision shall be stayed pending an order by the court.

(c) If a Party is dissatisfied with the decision of the mediator, the Party may commence an action to enforce the provisions of this Agreement. If a complainant Party decides to commence litigation over the dispute, the Party must provide a written notice of such intent to each of the other Parties. The written notice must be provided within 14 days of the notice of the mediator's decision. A failure to provide the appropriate written notice within this time period shall bar the commencement of an action to enforce the provisions of this Agreement. Any action to enforce the provisions of this Agreement must be commenced within 30 days of the notice of the litigation. A failure to commence the litigation within this time period shall bar the commencement of litigation over the dispute. In the event that such litigation is not commenced within the specified time period, the decision of the mediator shall be deemed final and shall be immediately implemented.

3. COSTS OF DISPUTE RESOLUTION. Each participating Party will bear its own costs and a proportionate share of the costs of mediation.

A Dale Hall
U.S. Fish and Wildlife Service

5/21/96
Date

Raymond L. Scarpes
California Department of Fish and Game

5/20/96
Date

1&T by [Signature] its
M&T Chico Ranch Vice Pres.

5-20-96
Date

Jim Benson Vice Pres.
Parrott Investment Company

5/20/96
Date

APPENDIX A
LANDOWNERSHIP

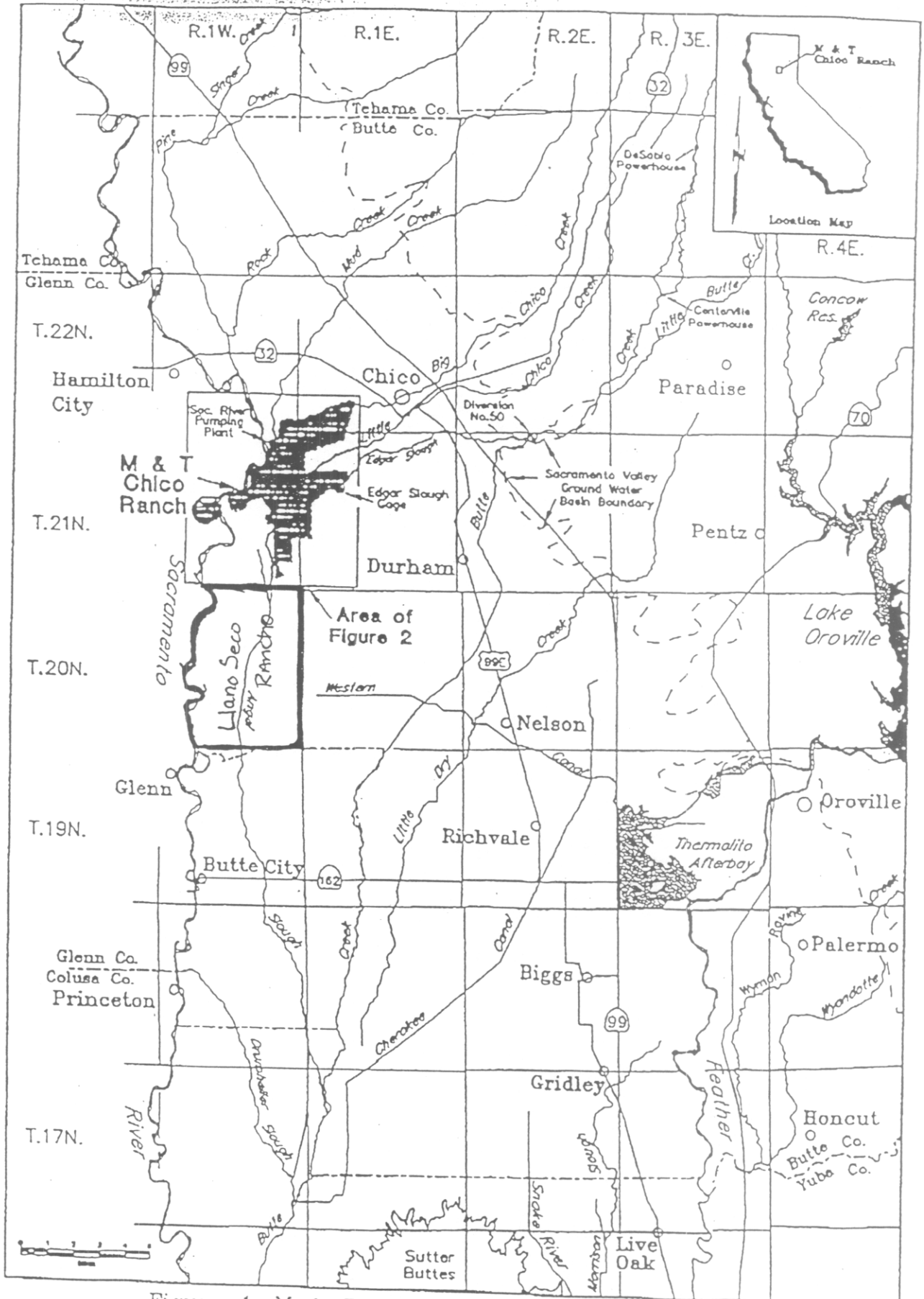
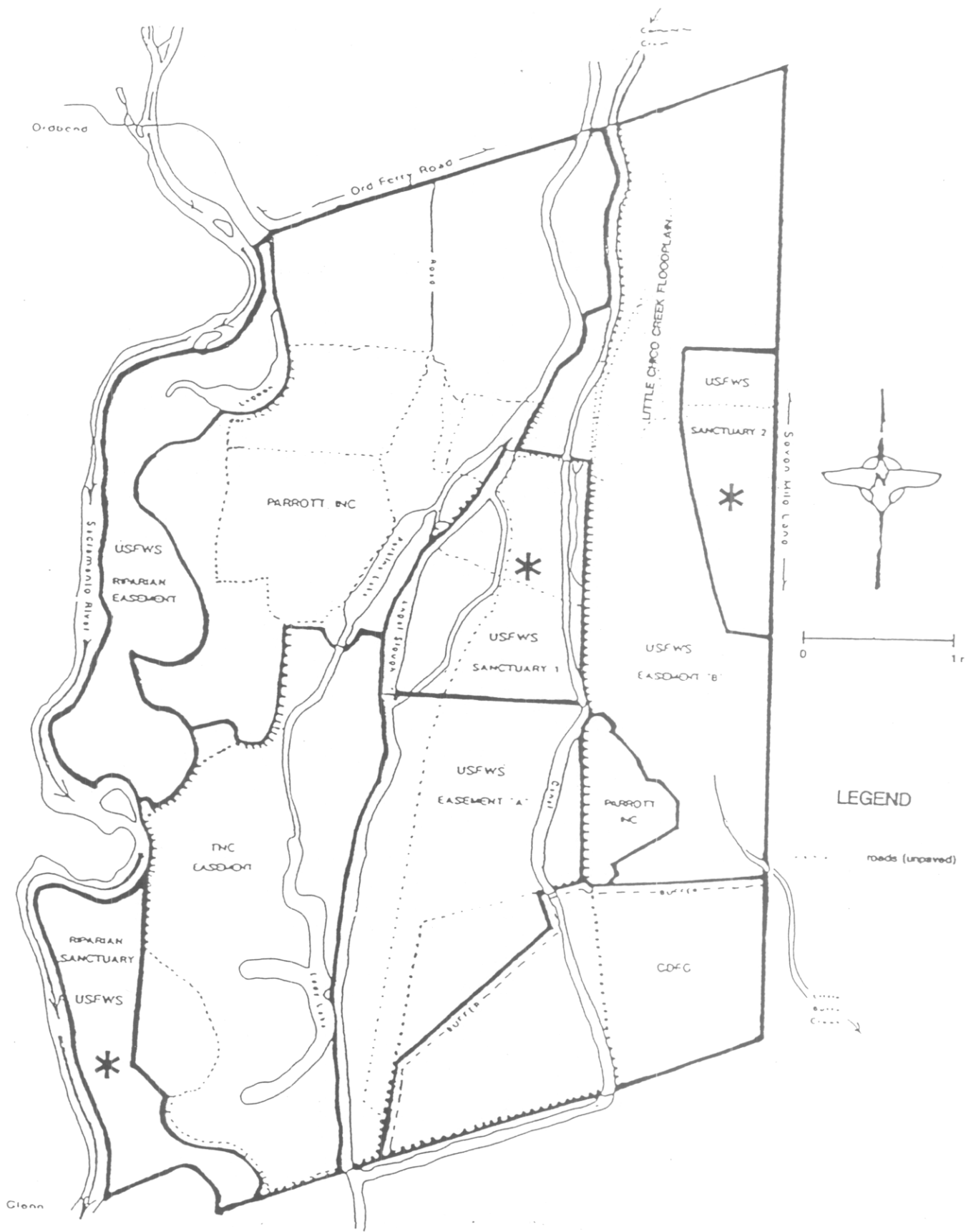


Figure 1. M & T Chico Ranch: Location Map.

APPENDIX B LANDOWNERSHIP DESCRIPTION



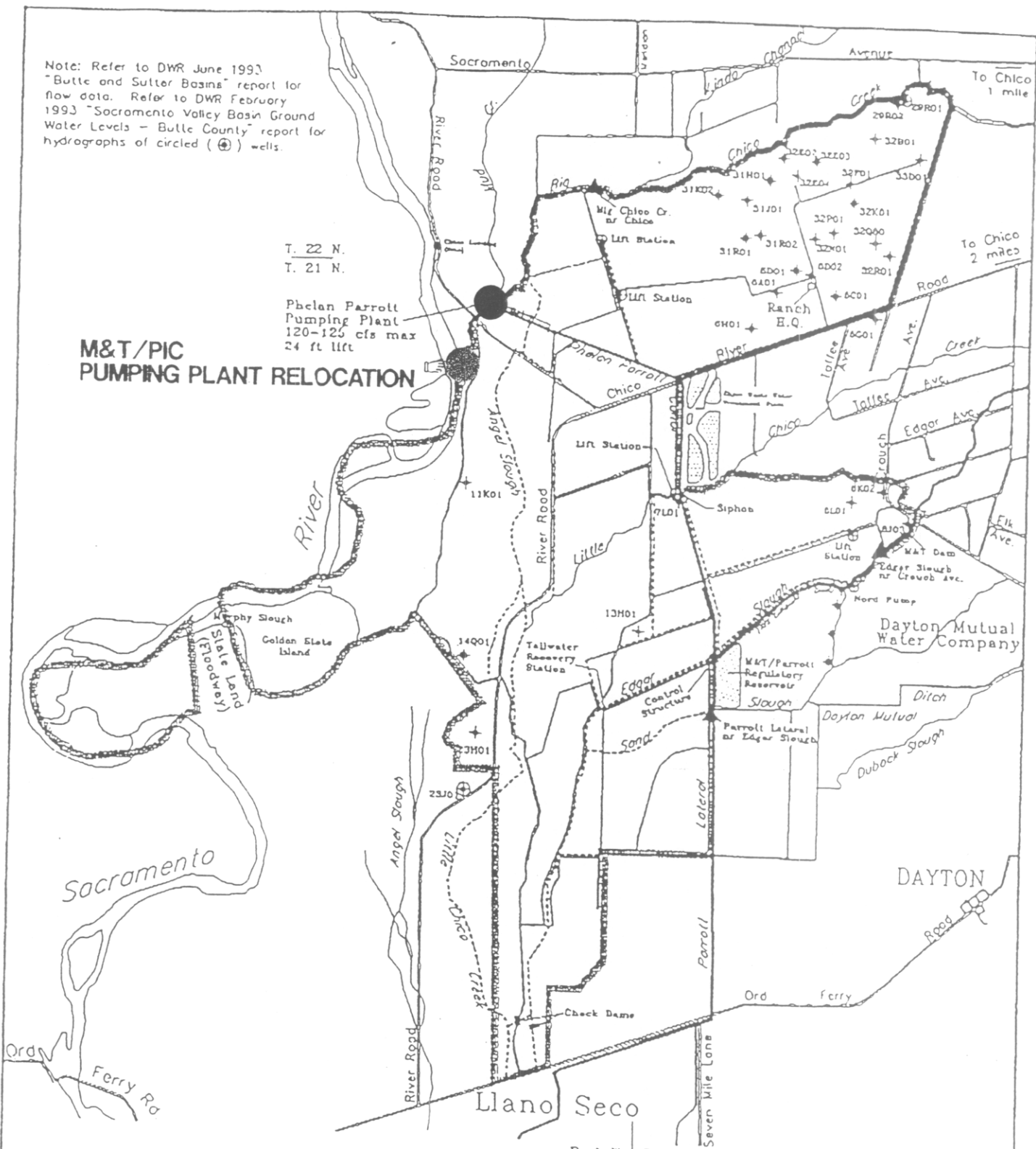
APPENDIX C PLANT LOCATION

Note: Refer to DWR June 1993 "Butte and Sutter Basins" report for flow data. Refer to DWR February 1993 "Sacramento Valley Basin Ground Water Levels - Butte County" report for hydrographs of circled (⊕) wells.

T. 22 N.
T. 21 N.

Phelan Parrott Pumping Plant
120-125 cfs max
24 ft lift

M&T/PIC PUMPING PLANT RELOCATION



LEGEND

- + Well (electric motor)
- ◆ Well (gearhead motor)
- + Well (continuously monitored)
- 14Q80 - Partial State Well Number
- ⊕ Pumps, Lift Stations
- ▲ Caging Station
- Main Canals
- - - Laterals
- - - Main Drains
- Roads
- Properly Boundary

M & T Chico Ranch Inc.
Butte and Sutter Basins Atlas

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES
NORTHERN DISTRICT



Exhibit A

Proposed Project

U.S. Fish & Wildlife Service (FWS) and the California Department of Fish and Game (DFG), in conjunction with Ducks Unlimited and Parrott/Phelan Irrigation System (PPIS), propose construction and operation of a new water supply pumping station on the Sacramento River to replace an existing pumping station owned and operated by the M&T Chico Ranch on Big Chico Creek. M&T Chico Ranch, Parrott Investment Company (which owns the Llano Seco Rancho), FWS, and CDF&G use the pumping station for agricultural and wetland habitat management.

The old pumping station, which was constructed in the early 1900s, diverts water through a series of four unscreened pumps with a rated capacity of 135 cubic feet per second diverting water from Big Chico Creek and the Sacramento River.

The Proposed Project is to construct and operate a screened diversion facility and pump station on the Sacramento River at river mile 192.8. The pump station would discharge into a new 72-inch diameter conveyance pipeline extending 4,388 feet east from the Sacramento River to the existing pipeline at the Phelan Canal. Water would be discharged to the Phelan Canal for distribution to M&T Chico Ranch and the Llano Seco Rancho lands for wetland management and agricultural uses. The new diversion facility, pump station, and pipeline will be owned and operated by the PPIS.