



## Fact Sheet 1 – Joining the BCI Scheme

The BCI Scheme is a joint venture between Barrhill Chertsey Irrigation Limited, a farmer owned cooperative company, and Electricity Ashburton Limited, a consumer owned cooperative electricity lines company. To secure access to irrigation water a farmer will need to purchase shares in Barrhill Chertsey Irrigation Limited. This fact sheet covers the process to secure access to those shares and further steps required to gain access to irrigation water.

The process involves the following steps;

| Step |   | Done |
|------|---|------|
| 1    | Discuss network capacity with the scheme      |      |
| 2    | Read, understand and sign the prospectus      |      |
| 3    | Understand the ongoing scheme charges         |      |
| 4    | Read, understand and sign the Water Agreement |      |
| 5    | Provide Overseer® simulation                  |      |
| 6    | Make share payments and sign DDA form         |      |

### 1. Does the scheme have capacity to deliver to your property?

The first step in securing water is to discuss if the BCI Scheme has spare capacity to enable delivery to your property or, if your property is outside the existing BCI network area, whether it is economic to deliver water to your property. This is best done by contacting the scheme directly.

It is also important to understand that up to seven months may be required to install capacity for delivery to a new irrigator.

#### Discuss network capacity with the scheme

### 2. The Prospectus

BCI shares are issued under a registered capital raising prospectus. The prospectus outlines the rules around share issue and highlights the risks associated with the investment. It is important to read the prospectus thoroughly.

BCI shares are sold on the basis of volume (pipe capacity in litres per second) and the irrigator must be shared to the peak capacity their irrigation system will use. Each one litre per second of capacity requires the following shareholding;

**670 Infrastructure Shares (I shares)**  
**1,330 Distribution Shares (D shares)**  
**2,000 Total “irrigation” shares**

The price of those shares is notified in the prospectus each year.

Another class of BCI shares (Ordinary Shares) were issued prior to scheme construction and those shares hold the rights to access the first eight cumecs of BCI water. Applicants for “irrigation” shares must hold Ordinary Shares, redeem those shares and gain a credit of \$333 per litre per second of “irrigation” shares purchased. Not all applicants hold Ordinary Shares so BCI can secure those on behalf of the applicant.

### **Read, understand and sign the prospectus**

#### **3. Scheme Annual Charges**

The prospectus outlines the ongoing obligation in meeting the scheme annual charges. To understand this in more detail you can read “Fact Sheet 2 – BCI Scheme Charges” or discuss with scheme management.

### **Understand the ongoing scheme charges**

#### **4. Water Agreement**

The primary contract between the BCI Scheme and the irrigator is the Water Agreement. The Water Agreement must be signed as part of the share application and sets out the rules around delivery of water and the obligations of both parties.

### **Read, understand and sign the Water Agreement**

#### **5. The Nutrient Cap**

The BCI Scheme has been granted a Land Use Consent by Environment Canterbury as a tool to assist in the management of loss of nitrogen to groundwater through intensification of land use. This consent provides the scheme with an overall limit of nitrogen loss to groundwater and requires the scheme to manage new and existing uses of the irrigation water to ensure that cap is not exceeded. The primary means of assessing that loss from an irrigated farming system is through running an Overseer® simulation, undertaken by a fertiliser representative or farm consultant.

As part of an application for a water supply to a new property the applicant must provide details of the intended use of the water and an estimate of the expected loss of nitrogen to groundwater for that system (using Overseer®). The scheme will then assess that loss to determine if it meets the scheme’s expectation for that farming system and property soil type.

For some specific projects where the prospectus is open for a limited period the onus will go on the new user to understand the nutrient loss expectation of the scheme and then provide details of the

intended use of the water, and an estimate of the expected loss of nitrogen to groundwater for that system (using Overseer®), prior to delivery of water.

In general the expectation of the scheme is that new users will employ advanced mitigation measures and operate at a high level of environmental performance. Further detail of the performance requirements is outlined in the BCI Policy Document.

#### **Provide Overseer® simulation**

### **6. Payments**

The application for BCI shares will either require a deposit or final payment, depending on the timing of the application. Details of this will be included in the prospectus.

Ongoing charges are required to be paid through direct debit. A direct debit authority (DDA) form will be included in the prospectus pack and is required to be signed and included with the application.

#### **Make share payments and sign DDA form**

### **7. Scheme Assessment**

Following the receipt of all the above information the scheme will assess the application and discuss any issues directly with the applicant.