

INCIDENTALS

Almost all of you participated in at least one equity or member meeting. You may not have thought about how much activity was going on overall.

Four meetings were held in the December 2002 Seed Stock drive.

The general equity drive began in February 2003 and continued to June 14, 2003. Sixty-four meetings were held in fifty-two different places in fourteen counties.

We have a mailing list of 4500 names and multiple mailings were made during that time.

DIRECTORS

Bryan Andrews	Dunn	556-2204
Dick Bauer	Pepin	672-5776
Andy Bensch	Barron	837-1409
Steve Bensch	Pierce	792-2669
Lee Carlson	Polk	248-3273
Ray Dreger	Chippewa	962-3587
Luther Grohn	Dunn	874-6558
Paul Harrison	Dunn	235-6113

Interim Project Coordinator:
Jim Faust AG Agent – Dunn 232-1636

Executive Director:
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WWREC
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GRAIN POWER

“During the next 15 years, (ethanol blended) fuels offer the greatest promise for reducing transportation sector greenhouse gas (GHG) Emissions”.

PEW Center on Global Climate Change

Western Wisconsin Renewable Energy Co

Our Energy is Cropping up Everywhere!

WESTERN WISCONSIN RENEWABLE ENERGY CO-OP UPDATE

Now that the cooperative is closed we need to report on the current status as well as plans for the future.

WWREC statistics as of June 14, 2003:

Membership	499
Investors	463
Equity Drive Total	\$12,819,750
Average Investment	\$28,900

We are now engaged in raising the balance of the equity necessary to meet the requirements of a senior debt lender. Because of the expansion in the ethanol industry there is pressure on the capital markets. This has resulted in the senior lenders requiring 45 percent equity from the investor side (cooperative and LLC partners), and an increase in working capital.

Thanks to your response to the seed stock drive and the equity drive the cooperative will hold a majority interest in the enterprise.

The details of the financial package have not been finalized. Value Add Ventures LLC is working on the LLC investor portion.

We have met with Ag Star Financial and Co-Bank both of who are involved in financing senior debt of ethanol plants. They are part of the Farm Credit System.

ZONING EXCEPTION

A high priority on our agenda is the exception to the A II agriculture zoning involving the Town of Hay River site.

We met with staff for the Board of Adjustment on three occasions. We wanted to familiarize them with the specific operations of the ethanol plant we plan to build and to listen to their concerns and try to find common ground.

We resolved a number of issues but felt we could not commit the cooperative to a performance bond, which was their bottom line.

Some changes have been incorporated in the plant design and are now being finalized. When that is complete we will be withdrawing our original application and submitting a new one in July. We will notify you of the hearing date when it is set.

Announcing New Web-Site
www.wwre ethanol.com

FINANCIAL SUMMARY

Membership Dues	\$ 249,500.00
Seed Stock Drive	580,000.00
Grants Received	<u>89,938.00</u>
Total	\$ 919,438.00
Expenses	<u>385,060.00</u>
Balance	\$ 534,378.00
Equity Drive Committed	\$ 12,819,750.00

BOARD MEMBER PROFILE

Richard "Dick" Bauer and his wife Betty farm 760 acres in Pepin County growing corn, wheat, soybeans, rye and hay. He was recognized by the Pepin County Farm Management Club as the Outstanding Farmer 2001. He has served on the board of directors of the Wisconsin Corn Promotion Board, Farm Credit Services, Pepin Human Services and school board of his local parish school.

Dick's interest in ethanol preceded the formation of WWREC; this just gave him an opportunity to help make it happen in western Wisconsin.

PERMITS

Any industrial plant requires permits and ethanol is no exception. WWREC has signed a contract with Atkins Americas Inc. to develop the applications for the Air Pollution Control permit, Environmental Impact Report, Construction/Industrial Storm Discharge permit, Wastewater Discharge permit and the Phase I Site Assessment. They plan to submit these to the Wisconsin DNR shortly.

Soil borings were done by Maxim Technologies and indicate that the site will support any structure that is planned following approved site preparation procedures.

A test well is next on the agenda to establish the mineral content of the water at various levels and to project the capacity of the well at various levels.

As you can see, many things have to be covered and are proceeding at the same time.