he sweet smell of boiling corn sometimes floats on a breeze along the railroad tracks of downtown Smithville. It’s coming from a tidy, open metal building.

Inside, a big kettle heats a mash of milled corn from area farms. The mash will be put into a fermenter that uses yeast to turn the corn’s natural sugar into alcohol. Then stills will vaporize and condense that alcohol into drinkable, legal liquors.

There’s a booze boom across Texas, and Bone Spirits Distillery, which began operations in 2011, is one of a handful of distilleries in or near the Bluebonnet Electric Cooperative service area. Nearly 70 liquor makers are licensed in Texas today. Only eight of them were operating before 2008.

Unlike the Smithville distillery that welcomes visitors with billboards, other area distilleries sit unassumingly off rural roads. A startup still doesn’t take up a lot of space and new distillers often begin in tight quarters.

In southeastern Travis County off Texas 130, the oldest Texas distillery has grown into a large complex of buildings that produces Tito’s Handmade Vodka. The company, Fifth Generation Inc., is a Bluebonnet member and was founded by Tito Beveridge.

Beveridge, originally from San Antonio, graduated from the University of Texas with degrees in geology and geophysics. After working for a decade in the oil industry and in the mortgage business, he yearned to expand on a hobby of flavoring vodka for friends.

To distill and sell his own vodka, Beveridge needed the approval of state and federal regulators. Persuading them to give him Texas’ first distiller’s license was no easy task, but he succeeded in 1995.

Beveridge bootstrapped his startup expenses on credit cards, bought acreage outside of Austin and built a 16-gallon pot still.

He started selling the vodka in 1997 and struggled until he struck gold in 2001 at the San Francisco World Spirits Competition. Tito’s Handmade Vodka won the double gold medal, with judges unanimously declaring his product superior to dozens of well-known major brands in the competition.

Sales soared after that as Beveridge worked the cache of the little Texas distillery that could play in the big leagues. His vodka now is sold nationwide in numbers far surpassing every other Texas distiller.

“I think I proved up the model,” Beveridge said. “Now financiers and distributors don’t want to turn down what could be the next Tito’s. Maybe they’ll get lucky and invest in something that hits.”

The story of Tito’s vodka has inspired other Texans who wanted to build their own distilleries.

Mike Jakle taught himself how to distill years after enjoying a drink with Beveridge at a friend’s party in the late 1990s. “I thought it was the coolest thing to be sitting around drinking the vodka that he actually made,” said Jakle, co-owner of White Hat Rum.

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**MEETINGS**
Bluebonnet’s Annual Meeting is May 12 at Sons of Hermann Hall, 1031 CR 223 in Giddings. Registration begins at 1:30 p.m. For more information, visit bluebonnet.coop/annualmeeting.

Bluebonnet’s Board of Directors will meet at 9 a.m. May 19, at Bluebonnet’s Headquarters, 155 Electric Ave., (formerly 650 Texas Hwy. 21 East), Bastrop. Find the agenda and last-minute updates May 15 at bluebonnet.coop. Hover your cursor over ‘next board meeting’ on our home page.

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**CONTACT US**
Bluebonnet Electric Cooperative produced the blue-bordered pages 18-25 in this issue of the magazine with content that is of specific interest or relevance to Bluebonnet members. The rest of the magazine’s content is distributed statewide to any member of an electric cooperative in Texas. For information about the magazine, contact Janet Wilson at 512-750-5483 or email magazine@bluebonnet.coop.
In 2012, the Texas Distilled Spirits Association was formed (Beveridge was one of the first members) to further the interests of the industry. The group persuaded the 2013 Texas Legislature to pass laws allowing limited bottle sales and tastings at distilleries and the lifting of some other trade restrictions.

“Distilleries now can see themselves as tourism and tasting sites, not just as manufacturers,” said Scott Stewart, the association’s executive director.

Stewart said the boom in recent years is a reflection of “a wave of locally made craft everything — from food trucks to brewers and distillers making great Texas products. These are exciting times.”

He said distillers often learn the craft from each other and then work together to reach more consumers. “Tito’s is a pioneer and has great team members who attend our quarterly meetings and offer help with their valued experience,” Stewart said.

“Unbeknownst to me, the whole craft movement started with us,” said Beveridge. “There’s a need for variety. The big liquor companies have consolidated in recent years and it’s a cycle in the industry now for diversification.”

### Bone Spirits Distillery

At Bone Spirits in Smithville, owner Jeff Peace began with considerable knowledge of the sales and distribution end of the liquor business. While finishing Vanderbilt University Law School in 1999, the Rio Grande Valley-raised Peace went to work for Sidney Frank Importing Co. of New York. That veteran importer of Jägermeister and other spirits had created Grey Goose Vodka, which proved a phenomenal high-end success.

Peace said he was hired as assistant to the chairman, Sidney Frank, “because I golfed and he needed someone to play golf with the distributors and bar owners.” After learning the business, he helped Frank find a buyer for Grey Goose in 2005. Bacardi Limited paid more than $2 billion.

Frank died in 2006 and Peace eventually returned to Texas.

“He taught me how important relationships and marketing are in the business, but a regret for him was that he never actually ran a distillery. When I had the opportunity, I decided I wanted to control every step of the process from farms to our bottling,” Peace said.

When the Smithville building was advertised for sale, Peace jumped at it since it was within easy reach of corn growers. Through Coyote Creek Farm’s organic feed mill in Elgin and another near Gonzales, Bone Spirits buys about 35 tons of ground corn a month. The farms that produce the corn stretch from Taylor to Gonzales. After the distillation process, the high-protein, spent mash is sent to cattle ranches as a feed supplement.

Corn is the source of all four of Bone Spirits’ liquors, but different stills produce the finished products. A 1,200-gallon pot still from the century-old Vendome Brass and Copper Works of Louisville, Ky., yields two whiskies. Skinny steel-column stills soar to the roof, producing gin and vodka.

It takes roughly a month for the distillery to make each batch of its products, not counting barrel time for the aged corn whiskey that can add another two years or more before bottling.

The amber (aged) and clear (moonshine) whiskies are labeled Fitch’s Goat. The Moody June gin is flavored with botanicals including local juniper berries and coriander. The vodka is named Smiths.

Peace said he intends to keep production near its current level of about 10,000 cases a year. “We’re a very small, craft distillery making everything from scratch and we want to stay that way,” he said.

“Making a high-quality spirit is not easy,” said Peace, whose company has 16 employees. “We start at 5:30 in the morning and the distillations continue round the clock. It’s very important to me that we’re committed to our farm-to-bottle concept.”

The distillery, unlike others around the Bluebonnet service area, created a comfortable upstairs tasting and sales room that is open every day but Sunday. Dominica McGinnis, who lives between Smithville and Bastrop, knew nothing about Bone Spirits before she stopped by.
on a Saturday afternoon to pick up a bottle as a gift for a co-worker. “I thought this was going to be more like a liquor store,” she said.

Instead, she got a quick lesson from Joe Alecci, director of operations, about the taste characteristics of each bottle’s contents. She pronounced the tasting room as “cool and cute” as she left with her purchase (limited by state law to two bottles a month per customer on site) and a promise to return for a tour.

**White Hat Rum**

Mike Jakle’s one-man operation is in a former horse barn near Manor.

On this day he had a volunteer helping him finish hosing out a 2,000-gallon fermentation tank. It was nearly spotless, he confirmed, after crawling inside the tank that previously had held a “wash” of unrefined sugar cane molasses from South Texas. Yeast had done its part in the wash to start the process toward Jakle’s one product—White Hat Rum.

Since March of 2012, Jakle and business partner Miles Ponder, vice president of ACR Engineering energy management company in Austin, have been selling their clear rum in a sleek bottle with a stylish black and white label.

Before Jakle got into distilling, the Houston native had gone from playing in Austin bands to a salesman on the road for a furniture maker to a circulation manager for the Austin American-Statesman newspaper. “I got real lucky,” he said in describing the new business he’s in. “I’m a sales guy and this is the most fun to be making something and

At left, Bone Spirits distiller Joe Alecci offers samples of spirits and information about the distilling process to tasting room customers Ron and Barbara Knaack from Bastrop. Above left, Alecci shows a handful of juniper berries gathered in Red Rock that will be used to flavor the gin made at the Smithville distillery. Above, Alecci looks over a bottle of Moody June gin.

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then going out to sell it.”

Every Thursday through Saturday, Jakle stands behind a wooden barrel at liquor stores from Austin to Houston and talks up his rum.

Acknowledging chemistry wasn’t his strong suit in college, Jakle spent three years learning the craft of distillation after investing in the expensive equipment that’s necessary (including a $97,000 Vendome pot still that’s smaller but similar to Bone Spirits’).

“This is not a get-rich-quick business. It is a long-term business,” he said. Jakle said he’s now selling about 150 cases of White Hat Rum a month, but notes he’s only using 20 percent of his equipment’s capacity.

He’s got reason to be optimistic.

A representative from the Austin office of Glazer’s, one of the nation’s biggest wholesale distribution companies that place alcoholic beverages in stores and bars, visited Jakle’s distillery barn early on. He was complimentary about the White Hat bottle and label. He quickly signed up the business for a client with the admonition that tastes good and meets all the legal requirements.

The time it takes for each phase of the process varies widely depending on the volume to be produced and the preferred “recipe” applied to different liquors.

Joe Alecci, who distills at Bone Spirits Distillery in Smithville, outlined the steps and equipment involved in the process:

The ground corn bought by the distillery is first boiled with water in a large kettle. Alecci said he is usually cooking four days a week. The resulting mash then is cooled slowly and put into a fermenter.

Yeast is added to the mash during the fermentation step to yield alcohol at percentages too high to drink safely or bottle legally. The product at this point is called a wash.

The wash is what goes into a still, a rounded pot or a tall column, to undergo the refinement called distillation. Bone Spirits has both a copper pot still (for its whiskies) and two steel column stills (for its vodkas and gin).

Bone Spirits typically does a first run distillation with 1,000 gallons of fermented mash. This amount yields about 150 gallons of 80-proof alcohol. During the final step, called finishing, flavors, such as botanicals and citrus for Bone Spirits’ gin, are added.

The finished product then is put directly into bottles or, in the case of the distillery’s whiskies, into oak barrels for aging and additional flavoring before bottling.

BANNER DISTILLING

Not far away at Banner Distilling in Manor, two high-tech guys built their distillery in 2013 literally by hand on a 1.2-acre field. A 1,200-square-foot building is filled with equipment, including two steel pot stills.

Logan Simpson, with a doctorate in chemistry, sought advice from other area distillers, then taught himself how to make vodka and, recently, wheat whisky. Co-founder Tony Jimenez had the expertise to build the stills and other equipment.

Both “are working diligently not to have day jobs,” said Simpson, who met Jimenez at a small high-tech company in Austin. They are at the distillery odd hours and weekends and hope to soon hire an employee or two.

The business boasts that the corn, wheat, barley and sugar cane distilled into its liquors are all organic. The company’s new wheat whisky, planned for wide release this month or June, will include wheat grown on a farm just across the road.

About 100 cases of vodka are sold a month and it’s available at 80 liquor stores and bars in the Austin area.

On Saturdays, Banner Distilling welcomes visitors — but they should call or email in advance so Simpson and Jimenez can plan a tour.

M. WELLS DISTILLING

In a rented building in Cedar Creek off Texas 21, Matthew Wells is the young sole proprietor of M. Wells Distilling, which soon will release its first bottles.

The Dallas-born chemistry graduate apprenticed at Balcones Distilling in Waco and worked a year at Treaty Oak Distilling in Austin. He learned enough there to weld together his own 100-gallon copper still.

The first product for M. Wells will be Austin Shine, a “four-grain pecan-smoked white lightning.” Wells describes his 92-proof whiskey as the result of a “delicious mash that is not just straight corn. We smoke the grains first with pecan wood, and use corn, barley, wheat and rye.”

Next up is bourbon, Wells said. His goal: “Small-batch, top-shelf whiskies that exemplify the flavors and terroir — properties that reflect the region — of Central Texas.”