



(305) 295-1000
1001 James Street
PO Box 6100
Key West, FL 33041-6100
www.KeysEnergy.com

UTILITY BOARD OF THE CITY OF KEY WEST

January 13, 2004

To the Chairman and Members
of the Utility Board of the
City of Key West, Florida

The Comprehensive Annual Financial Report ("CAFR") of the Utility Board of the City of Key West, Florida, for the Fiscal Year ended September 30, 2003, is submitted herewith, pursuant to and by the authority of Chapter 69-1191, Laws of Florida, as amended, and Resolution No. 532 of the Utility Board, Article V, Section 5.01 (H), adopted November 13, 1985, as amended and supplemented. The CAFR was compiled by the staff of the Finance Department with the close cooperation of our independent auditor and represents the official report of the Utility's financial operations and conditions to the citizens, Utility Board, management personnel, rating agencies, bond holders and other interested parties.

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Utility. We believe the data, as presented, is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations and cash flows of the Utility. All disclosures necessary for the reader to gain a thorough understanding of the Utility's financial condition have been included. The Utility Board has adopted the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of October 1, 2001. Statement 34 establishes standards for external financial reporting for all state and local government entities which includes a Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The Utility's MD&A can be found immediately following the Independent Auditor's Report. In order to meet the needs of a broad spectrum of financial statement readers, the CAFR is presented in three sections: Introductory, Financial, and Statistical.

The *Introductory Section* includes the table of contents and this transmittal letter. The *Financial Section* is comprised of the independent auditor's report, a discussion and analysis of our financial position and results of operations, the financial statements, supplemental schedules and other auditor's reports. The notes to the financial statements are considered an integral and essential part of adequate disclosure and fair presentation of the financial statements. The *Statistical Section* includes selected financial and demographic trend information. The tables within this section differ from the financial section schedules in that they present some non-accounting data covering more than two fiscal years.

The Utility Board of the City of Key West realizes its role, as a public power entity, has never been more important. The present organization was created by provisions of Chapter 69-1191, Laws of Florida (1969), as amended, to manage, operate and maintain the electric utility serving the citizens of the City of Key West, Florida and the Lower Florida Keys.

Respectfully submitted,

Stanley T. Rzad, CPM
Director of Finance

Carl R. Jahsen
General Manager

Utility Board Members

Robert R. Padron, Chairman Dr. Otha P. Cox, Vice-Chairman
Leonard H. Knowles, Member Gayle Swofford, Member Lou Hernandez, Member

Letter of Transmittal

A New Keys Energy Services

On May 1, 2002 the Utility Board of the City of Key West officially changed its name to Keys Energy Services (KEYS) heralding a new time for the utility. Fiscal 2003 marked the first full year of the utility operating as KEYS, a name that reflects the area it serves; allows the utility to add new energy products; and highlights the utility's commitment to service. Most importantly, the new name embraces all of our customers establishing KEYS as *the* hometown utility.

Fiscal 2003 was dedicated to fulfilling the utility's vision:

Provide the residents and businesses of the Lower Keys with outstanding local service, environmental leadership, responsiveness and accessibility as only a hometown utility can

and the utility's mission:

Provide exceptional customer service while supplying safe, reliable electric and utility services at the best value.

For years, the Utility Board has been positioning itself to be our customers' utility of choice. The Utility Board has focused on improving reliability, reducing rates and expanding customer services. Reliability is at its best with both the number of distribution outages and the number of customer distribution outage minutes at a record low; two rate decreases have been offered to our commercial customers; and customer services has expanded to include a number of new products and services. With its new name, KEYS plans to build upon its recent successes, exceed customer expectations and fulfill its vision and mission.

In order to fulfill its vision and mission, KEYS Utility Board and staff met at the close of 2002 to establish priorities for the utility to focus on during Fiscal 2003. During that Strategic Planning Session, three business priorities were established:

Reliability and Service Quality Customer Awareness and Relations
Employee/Workforce Development

Customer Awareness and Service

Staff identified the following goal: Retain KEYS customers by identifying our customers' expectations and responding with programs, products, responsive service and open communications

Customers came first in 2003. KEYS maintained a number of programs to meet customer needs including: maintaining a Key West and Big Pine Key office; expanding its Easy Pay program to include auto debit from credit cards as well as from checking accounts; offering surge suppression devices, security lighting, budget billing and free energy surveys; and hosting extensive information on the website, KeysEnergy.com. KEYS also investigated opportunities to provide "green power" to its customers. The Utility Board approved the idea of offering a green certificates program to enable customers to feel that they contribute to renewable energy in the state and nation. The program was approved in concept during Fiscal 2003 and launched as "GO Green" in Fiscal 2004.

The Utility and its employees continued to be active in the community. This year, KEYS was named as a member of the Chamber of Commerce's Five-Star Education Program indicating that KEYS offers the highest level of support to local public schools. Employees continue to volunteer to work at the polls during elections. KEYS proudly offered bucket truck rides during Key West and Big Pine events, as well as entering a float in the City's Annual Holiday Parade.

In Fiscal 2003, KEYS planned for a customer survey to gauge satisfaction and interest in programs and services. The survey will be conducted in Fiscal 2004 with the results available for strategic planning for Fiscal 2005.

Letter of Transmittal

Reliability, Service Quality, and Safety

Staff identified the following goal: Improve reliability and enhance power quality by continuing to improve generation and transmission equipment as well as distribution materials and standards; to maximize employee/crew effectiveness and to work with Florida Municipal Power Agency (FMPA) to ensure appropriate generation levels and transmission capacity.

Certainly, KEYS has a demonstrated commitment to reliability as shown in the utility's outage record. The average KEYS customer experienced a total of 75 outage minutes in a year for the three-year average from 2001 through 2003. This compares with the national average of 114 outage minutes per customer; and the Southeast area average of 120 outage minutes per customer. KEYS is proud to have such a strong reliability record. KEYS has diligently worked to improve reliability with numerous transmission and distribution projects. The projects have paid off in a reduction of outages.

Even with outages at a record low, KEYS is still focused on reliability for transmission, distribution and generation. Numerous maintenance and upgrade projects took place throughout the year including energizing the new Cudjoe Key Substation, which will increase distribution reliability and power quality for our Keys customers. Additionally, KEYS began working with FMPA to plan siting a new generator in the KEYS service area to maintain the Utility's Board 60% on line backup generation policy.

Employee Development & Retention

Staff identified the following goal: Enhance workforce performance by maintaining adequate staffing levels, improving business processes, identifying and offering appropriate training and improving employee satisfaction.

The Utility Board and senior staff fully recognize that KEYS employees are the utility's greatest asset. To keep the workforce strong, KEYS emphasizes providing employees with the skills they need and with providing programs to ensure employee satisfaction. Fiscal 2003 was a year of turnover. Turnover occurred as employees retired and some sold homes and moved to the mainland to enjoy lower costs of living. Dealing with turnover is a new issue for the utility.

Key West Steam Plant Property

Efforts to redevelop the Key West Steam Plant Property continued in Fiscal 2003. KEYS Services has been working with Old Town Key West Development, Ltd. to redevelop the Key West Steam Plant Property into a mix of affordable housing units and luxury condominiums. Old Town Key West Development, Ltd., was successful in obtaining needed approval from the Historic Architectural Review Committee, the Development Review Committee, the Planning Board, the City of Key West City Commission and the Florida Department of Community Affairs. The project continues to move forward with the developer excited about response to the luxury condominiums and with plans to offer moderate affordable housing units to meet the needs of local working families.

Letter of Transmittal

Entity Definition

Enabling Legislation - Pursuant to the provisions of Chapter 69-1191, Laws of Florida, Special of 1969, as amended and supplemented, Section 11, the said Utility Board shall have full and complete power and exclusive authority to fix rates and charges for electricity and charges or prices for any other real and personal property, products and services, materials and commodities, by-products of and from all or any of its activities or operations, furnished or sold by said Utility Board, and to provide for the collection of the same.

Bond Resolution - Pursuant to the provisions of the Original Bond Resolution, 532, adopted on November 13, 1985, as amended and supplemented, Article V, Section 5.01, (B), the Board covenants to fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the product, services and facilities of the Utility which will always provide Revenues in each Fiscal Year sufficient to pay, and out of such funds pay, 100% of all Operating Expenses of the Utility in such year and all reserve or other payments herein required, and 125% of the Debt Service Requirement in such Fiscal Year on the Bonds. Such rates, fees, rentals or other charges shall not be reduced so as to be insufficient to provide Revenues for such purposes.

The Board further covenants and agrees that the Board will annually within thirty (30) days after adoption of the budget revise such fees, rates, rentals and other charges for the use of the product, services and facilities of the Utility to the extent necessary for the estimated Gross Revenues during the next succeeding Fiscal Year to increase over the amount of actual Gross Revenues for the next preceding Fiscal Year by the amount that the estimated Operating Expenditures during such next succeeding Fiscal Year shall exceed the actual Operating Expenses of the Utility during such next preceding Fiscal Year.

The Florida Public Service Commission (FPSC) - has rate structure jurisdiction. No rules and regulations, or schedules of rates and charges, or modifications or revisions of the same, shall be effective until filed with and approved by the FPSC as provided by law. Upon acceptable showing by any utility, the FPSC may waive or modify, as to that utility, the provisions of any rule, except when such provisions are fixed by Statute. No deviation from these rules shall be permitted unless authorized in writing by the FPSC.

Each utility shall file with the FPSC tariffs applicable to all territory served by it, showing all rates, classifications, and charges for service subject to the jurisdiction of the FPSC, furnished by the utility, and all rules and regulations relating thereto. A letter of transmittal shall be accompanied by various items in connection with each service classification in which any change is proposed. Where the change involves a rate or charge and the electric utility elects to make a cost study, the utility shall file a cost information statement containing a summary of the cost study performed. After acceptance, one stamped copy will be returned to the utility, which shall be the notice to the utility that the filing has been accepted and approved.

Florida Municipal Power Agency (FMPA) - The Utility is a member of, and receives all of its power needs from FMPA's All-Requirements Project. Each member appoints one representative to FMPA's Board of Directors, which governs the Agency's activities. The governance of rates charged to members includes the All-Requirements Project Committee (one vote per member) and the FMPA Board of Directors (a member's vote is weighted based on the Member City's net energy for load).

Letter of Transmittal

Basis of Accounting

The financial statements are prepared on the basis of accounting required by the Federal Energy Regulatory Commission (FERC), which is an application of generally accepted accounting principles that is peculiar to utilities. Revenues are recognized in the period earned and expenses recognized in the period incurred. Budgetary control is maintained through the use of monthly financial reports and the use of purchase orders, work orders, and miscellaneous cash disbursements and approval procedures. Property, Plant and Equipment is stated at cost, which includes costs of contract work, labor, materials, allocated indirect charges, and capitalized interest. Major renewals and betterments are capitalized while minor replacements and repairs are expensed as incurred. The cost of electric plant retired, together with removal costs less salvage, is charged to accumulated depreciation at such time as property is removed from service. Your attention is directed to Note 1 of the Notes to the Financial Statements, which fully describes the accounting practices for the presentation of the financial statements.

Internal Accounting Controls

In developing and maintaining the accounting system, consideration is given by the administration as to the adequacy of internal controls. Internal controls are designed to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition; the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles; and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management. For the fiscal year ended September 30, 2003, the Auditor noted no matters involving internal control over financial reporting and its operation that would be considered to be a material weakness.

The first level of control comes directly from the Enabling Act (69-1161). Section 17 requires that the Utility Board hire an independent certified public accountant to complete an annual audit. The second level of control comes from the covenants made by the Utility Board to the bondholders. Among other requirements, the Utility Board must keep accounts in accordance with generally accepted accounting principles and to file audited annual financial statements with the Auditor General of the State of Florida within 180 days after the close of its fiscal year.

Budgetary Control

In accordance with the Enabling legislation, the Utility Board holds public hearings and subsequently adopts an annual budget for operating expenses and capital outlay prior to October 1 of the fiscal year. Actual revenues and expenses are compared to the budget on a line item basis (which is the legal level of control) within cost centers, and an analysis of variances report is prepared and submitted to the Utility Board each month as required by bond indentures. During the year, staff can make amendments within the operating budget or the capital budget that do not change the total budget for those categories, provided that the change is within the same limitations established by Resolution adopted by the Utility Board. The Utility Board approves all other budget changes. Supplemental appropriations were necessary and the Utility Board in accordance with Utility Board policies amended the budgetary data presented herein. Budget appropriations lapse at each fiscal year-end except for the Capital Budget. The budget is adopted on a basis consistent with KEYS' basis of accounting except for depreciation and amortization, debt service on revenue bonds, and allocation of administrative costs to capital projects.

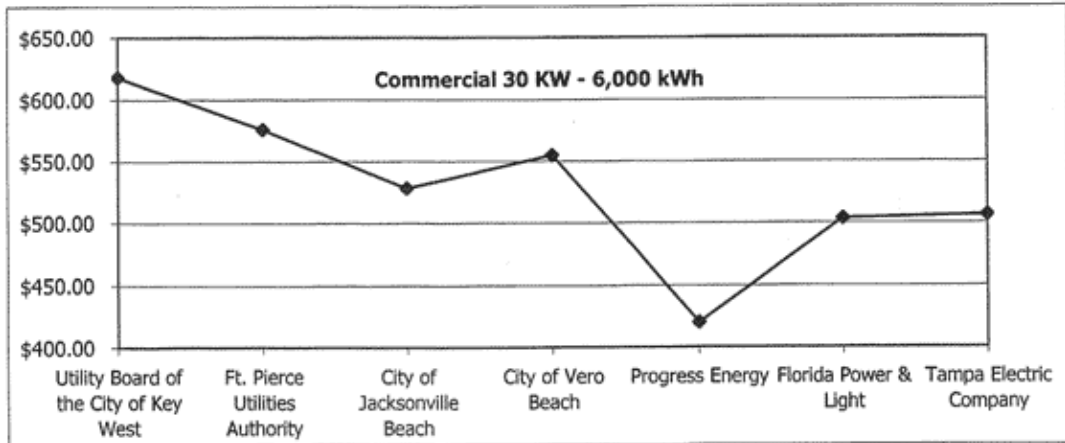
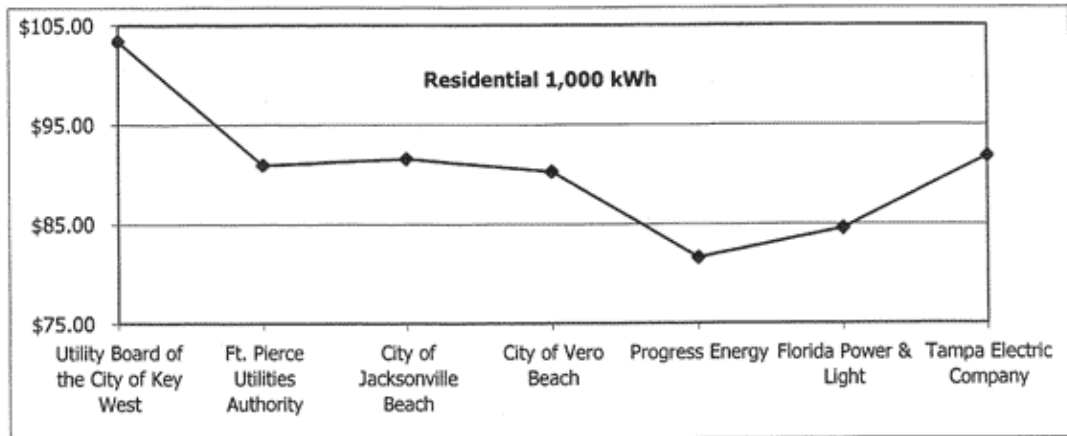
Letter of Transmittal

Rates for Service

The following table compares average monthly charges for electric service among selected utilities in Florida for the fiscal year ended September 30, 2003.

		Residential 1,000 kWh	Commercial 30KW-6,000 kWh
	Utility Board of the City of Key West	\$ 103.40	\$ 617.90
<i>Other Municipal Utilities in Florida</i>	Ft. Pierce Utilities Authority	\$ 90.92	\$ 575.78
	City of Jacksonville Beach	\$ 91.57	\$ 528.42
	City of Vero Beach	\$ 90.25	\$ 554.70
<i>Investor-Owned Utilities in Florida</i>	Progress Energy	\$ 81.62	\$ 420.24
	Florida Power & Light	\$ 84.56	\$ 503.67
	Tampa Electric Company	\$ 91.79	\$ 506.32

Source: Florida Municipal Electric Association, Inc. Tallahassee, Florida

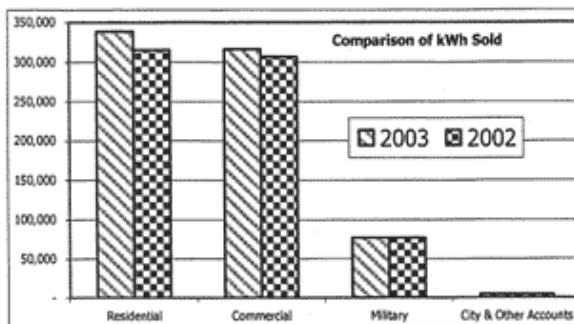
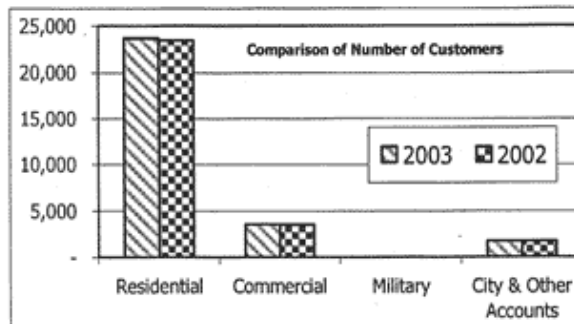


Letter of Transmittal

Customer Statistics

At fiscal year end 2003, the Utility's customer base was 29,021 or 267 more than the 2002 level of 28,754. Peak Demand (60 minute net) increased to 138.9 MW compared to the 2002 peak of 133.8 MW. Load Factor was 64.7% in 2003 compared to 64.1% in 2002.

The residential customer class increased by 232 to 23,703, while average monthly consumption of 1,197 kWh was higher by 77 kWh. The commercial customer class increased by 20 to 3,550 while average monthly consumption of 7,623 kWh was higher by 377 kWh. The average monthly consumption of the Military decreased 14,892 kWh to 6,394,928 kWh.



Cash Management

Restricted cash and investments, as discussed in Notes 2 and 3 of Notes to Financial Statements, are invested in accordance with the Utility's practices, which are governed by State Statutes. Monies must be deposited in banks designated as qualified public depositories by the State of Florida, Department of Insurance and Treasurer.

Permissible investments include Obligations of the U.S. Treasury, U. S. agencies, and any state of the United States of America, Certificates of deposit, Repurchase agreements, Units of participation in the State of Florida Local Government Surplus Funds Trust Fund, Commercial paper which is rated at the time of purchase in the single highest classification by Moody's and S&P and which matures not more than 270 calendar days after the date of purchase, and Investment Agreements with a bank or insurance company which has an unsecured, uninsured and unguaranteed obligation (or claims-paying ability) rated "A3" or better by Moody's Investors Service and "A-" or better by Standard & Poor's Corporation, or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting such rating requirements, with certain conditions met.

The objective of the investment policy is to obtain competitive yields while providing the absolute maximum security against loss of principal. The cash management performance for the year ended September 30, 2003 produced earnings in the amount of \$0.4 million, which was \$0.3 million less than 2002 as a result of lower rates.

Letter of Transmittal

Purchased Power

The Utility Board voted on July 7, 1997, to participate in the FMPA All-Requirements Project (ARP) whereby the Utility will purchase their bulk power supply requirements, in excess of certain excluded resources, from the ARP. The Utility began operations as a project participant effective April 1, 1998. The Utility Board has previously entered into several purchased power arrangements including (i) the FMPA Tri-City Project (Stanton 1); (ii) the FMPA Stanton 2 Project, and (iii) long-term purchase agreement from Florida Power & Light Company (FPL). As a member of the ARP, the Utility Board's resources and costs under these three contracts have been assigned to FMPA. Other power resource and sale arrangements include the Utility Board's purchases from a small resource recovery unit located on Stock Island, sale of power to the Florida Keys Electric Cooperative Association, Inc. (FKEC) and interchange service arrangements with other Florida utilities and with power marketers. All of the power purchases listed above, except for the purchase from the resource recovery unit, requires transmission over the FKEC transmission system. On January 1, 1992, this became a jointly owned system between KEYS and FKEC and is covered by a Long-Term Joint Investment Transmission Agreement. Please see Notes to Financial Statements for further information.

Transmission Facilities

KEYS is connected to the mainland Florida transmission network through a 61 mile long, 138 kV transmission line jointly-owned by the Utility Board and the FKEC and which allows interconnection between KEYS and FKEC at its Marathon Substation. The 138 kV transmission line extends northeast along U.S. 1 through FKEC's service territory and ties in with FPL at the Monroe-Dade County line. The Utility Board's solely-owned portion of the 138 kV line extends from Marathon Key, in the FKEC service territory, to the Stock Island (U.S. 1) Substation. Along this route, the line loops in and out of the Utility Board's Big Pine and Big Coppitt substations.

Pursuant to the current transmission agreement with FKEC, the Utility Board constructed and jointly owns with FKEC a second 138 kV transmission line, which extends 21 miles from the Tavernier Substation in the FKEC service territory to the Monroe-Dade County line, where it ties into the FPL 138 kV transmission line. The two transmission lines between Florida City and Tavernier provide greater reliability and increased import capability to KEYS. With the addition of this latest segment of 138 kV line and the conversion of the decommissioned steam generating unit at the Stock Island Plant to a synchronous condenser, the firm MW transfer allocation for KEYS over the Transmission Line is approximately 110 MW. The transfer capability of the transmission line is approximately 270 MW. KEYS local transmission facilities consist of seven-69 kV lines (14.9 miles) in Key West/Stock Island and four-138 kV lines (51.2 miles) from Key West to Marathon. Distribution is supplied from the 69/138 kV system to KEYS' seven distribution substations.

Distribution Facilities

KEYS' distribution system comprises approximately 251.3 miles of three-phase equivalent 13.8 kV and 5.7 miles of three-phase equivalent 4.16 kV feeder lines from the Utility's power plants and seven distribution substations. An eighth substation, located at Cudjoe Key was completed in October 2003. Switching for the 13.8 kV distribution is provided by 13.8 kV metal clad switchgear. Distribution at 4.16 kV is provided via 13.8 kV – 4.16 kV transformers with varying capacities. There are numerous sectionalizing and isolation switches on both the 13.8 kV and 4.16 kV distribution systems. Additionally, transformer vaults are used on the distribution systems to step down from distribution voltage to utilization voltage at hotels and other large loads.

Letter of Transmittal

Local Generation Facilities

The Utility Board currently owns, operates, and maintains nine generating units with a total Nameplate rating of 50.4 MW. This includes a combustion turbine unit and two medium speed diesel units at the Stock Island Generating Facility and six peaking diesel units located at Stock Island, Big Pine Key, and Cudjoe Key. Additionally, FMPA owns two combustion turbines at Stock Island, with Nameplate ratings of 18.6 MW and 18.1 MW respectively. These two units contribute to the total Nameplate rating of 87.1 MW. The Utility operates all the units with No. 2 oil. Under provisions of the ARP Supply Contract, the output of the Utility-owned generating facilities is being purchased in its entirety by FMPA as part of the ARP. The table entitled "Generating Capacity" in the Statistical Section provides more detailed information.

Debt Administration

The principal amount of Long Term Debt, net of the current portion, was \$70.6 million at September 30, 2003, compared to \$75.6 million at September 30, 2002. All outstanding debt had fixed interest rates, with exception of the Loan Payable, which carried a variable rate. Total revenue bond debt was comprised of three refunding bond issues: 1991, 2000 and 2001. All issues are rated AAA by Standard & Poor's (S&P) and insured by AMBAC Indemnity Corporation.

The Utility Board approved the execution of a loan agreement in November 1999 from the Florida Municipal Power Authority Pooled Loan Project to provide funding for certain upgrades to the Transmission Line in connection with the making of repairs as a result of damage caused by Hurricane Georges in September 1998. During the fiscal year ended September 30, 2003, a principal payment was made in the amount of \$340,000. The net loan payable balance was \$340,000 at fiscal year end. Please refer to Note 5 in the Notes to Financial Statements for further information.

Risk Management

The Utility is exposed to various risks of loss related to torts, damage, theft or destruction of assets, errors or omissions, injuries to employees and the public. The System will either retain the exposures to loss or transfer the risk to a commercial carrier, to minimize the financial impact on the Utility. The Utility retains the risk of loss up to the deductible amounts. Please see the table entitled "Schedule of Property, Casualty and Other Insurance" in the Statistical Section for detailed information on specific coverage included in the program developed by the Risk Management section.

Under this program, coverage is provided for worker's compensation, comprehensive -general liability, excess liability, automobile comprehensive and physical damage, crime and fiduciary, public official's errors and omissions, property, boiler and machinery, windstorm, flood and pollution liability. The Risk Management section, is striving to meet the goal of continuous no-lost time accidents and minimizing injury claims, through their coordinated and continuous efforts in monitoring potential risk exposures and implementing safety control programs, such as Safety Training Observation Program ("STOP"), coupled with effective claims administration.

Independent Audit

Resolution No. 532 of the Utility Board, Article V, Section 5.01 (H), adopted November 13, 1985, as amended and supplemented requires an annual audit by independent certified public accountants. The Utility Board selected the accounting firm of Oropeza & Parks. The auditor's report on the financial statements is included in the Financial Section of this report.

Letter of Transmittal

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Utility Board of the City of Key West for its comprehensive annual financial report for the fiscal year ended September 30, 2002. This was the eleventh consecutive year that the Utility Board has achieved this prestigious national award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

We extend our personal thanks to the dedicated efforts of those employees who spent many hours preparing, revising and finalizing this document. We are grateful to Oropeza & Parks whose professional skill and integrity have allowed us to present a report that meets the highest standards of financial reporting. Finally, we would like to thank the members of the Utility Board of the City of Key West for their interest and support in planning and conducting the operations of the Utility in a responsible and progressive manner.

Certificate of Achievement

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Utility Board of the
City of Key West, Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

Officials and Employees

Utility Board of the City of Key West, Florida



Chairman Robert R. Padron has served on the Utility Board since 1995. He was employed by City Electric System from 1961 to 1994, and retired as the General Manager. Mr. Padron holds a Bachelor of Science Degree from Tulane University and a Master's of Science from Nova University. He serves on various committees of the Florida Municipal Power Agency (FMPA), the American Public Power Association (APPA) and the Florida Municipal electric Association (FMEA), where he is currently president. He was the 2002 recipient of the APPA's Spence Vanderlinden Public Official Award.

Vice-Chairman Dr. Otha Cox has served on the Utility Board since 1979. He is retired from the Monroe County School Board where he served in various capacities, finishing as Assistant Superintendent of Schools. Dr. Cox earned his Ph.D. from Michigan State University. He serves on various committees of the APPA and is a member of the FMEA. He was the 1995 recipient of the APPA's Spence Vanderlinden Public Official Award.

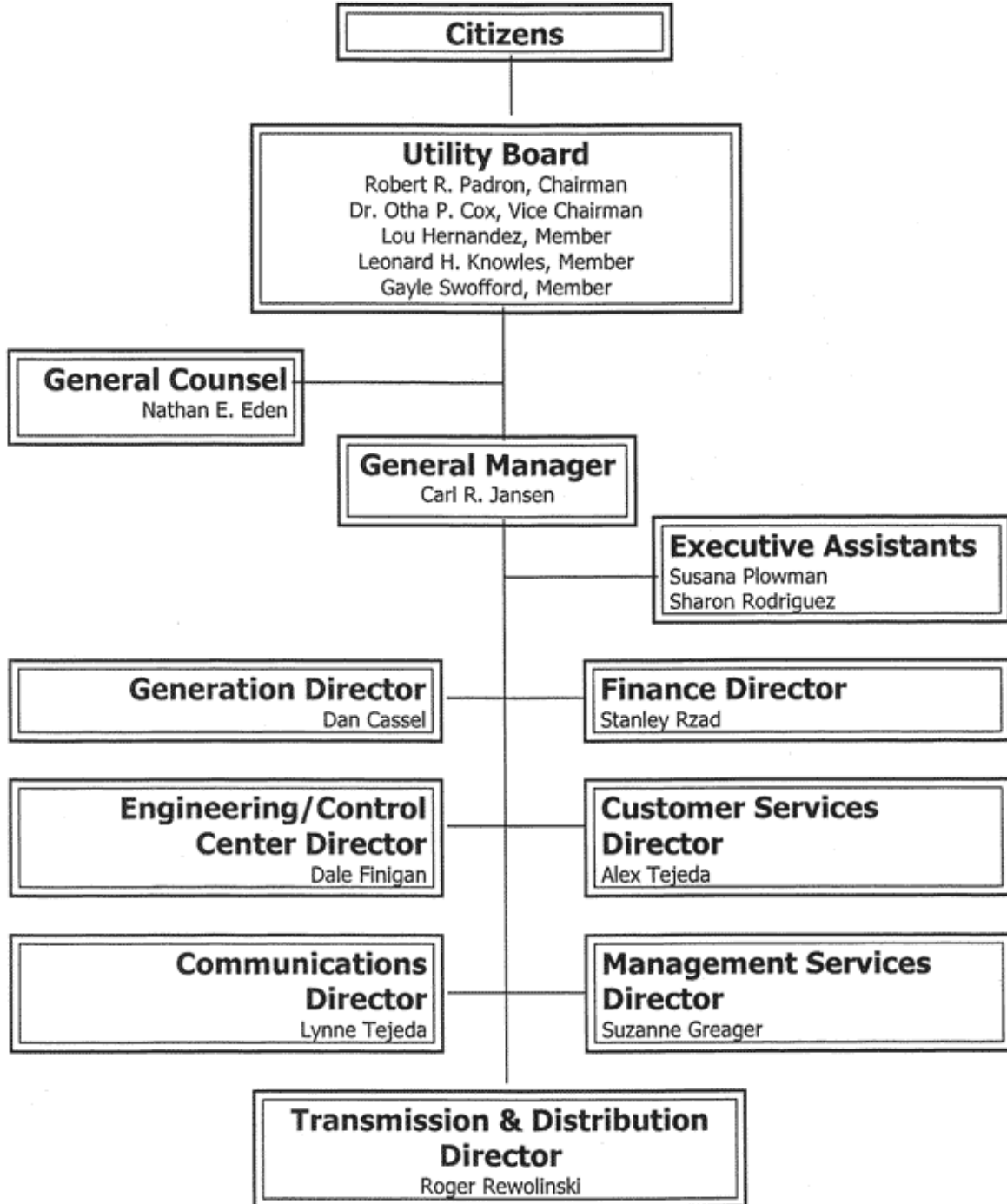
Lou Hernandez has served on the Utility Board since 1997. He is the Executive Director of HELPLINE, Inc., a crisis intervention and information referral telephone hotline in Monroe County. He is past president of the Key West Business Guild. He graduated from Texas A&M University.

Leonard H. Knowles has served on the Utility Board since 1991. He retired in 1998 from Monroe County where he was Chief Deputy in the Property Appraiser's office. He was employed by City Electric System from 1959 to 1987, retiring as Superintendent of the Meter and Commercial Department. He serves on various committees of the FMEA.

Gayle Swofford has served on the Utility Board since 1997. He had previously served as Chairman of the Utility Board from 1975 to 1979. Mr Swofford built the first FM radio station in the Florida Keys in 1965. He owned and operated WKIZ AM and WEOV FM until May 1990.

Officials and Employees

Organizational Chart Fiscal Year Ended 2003



Officials and Employees

Keys Energy Services Employees as of September 30, 2003

Sylvia Adams	Wayne Davila	Emmanuel Kerr	Letisia Powell
John Albury	Maria De La Torre	Johnny Kerr	David Price
Matthew Alfonso	Jose Del Rio	Steven Key	Maria Ramas
Barbara Archer	Pedro Delgado	Harold Knowles	Martha Ramas
Frank Arencibia	Tanya Delgado	Patricia Knowles	Beverly Ray
Heather Arencibia	Edee Delph	James Kobezak	Roger Rewolinski *
Marcos Arencibia	Rolando Diaz	Brenda LaLama	Milton Roberts
Pedro Arencibia	Patty Dixon	Julio Lot	Randy Roberts
Raymond Baker	Michael Domenech	Tom Mariucci	Chasity Rodriguez
Deborah Barnett	Eugene Edwards	James McClendon	David Rodriguez
Robert Barrios	John Fallon	Neil Mellies	Manuel Rodriguez
James Barry	Albert Fernandez	Ony Mendez	Sharon Rodriguez
Terry Beeman	Dale Finigan	James Menite	Steve Rodriguez
Faye Bethel	Chuck Finlayson	Rochele Miller	Bobby Ruble
Harry Bethel, Jr.	Nancy Flores	Armando Mira III	Stan Rzad
Tony Bethel	Alvin Frazier	Horace Mobley	Manuel Sanchez
Chantal Blais	Kim Free	Patrick Mobley	Chris Sauls
Karla Bravo	Russell Free	Shawn Moore	Michael Siegrist
Kris Bremer	Daniel Garcia	Stephen Nacrelli	Jennifer Sireci
Lynda Bringle	Eddie Garcia	James Newton	Vin Smith
Heath Brundage	Juan Carlos Garcia	Catherine Nix *	Bob Srednicki
Robert Burchett	Mark Garcia	Cheryl Nolte	Sandy Stephenson **
Elaine Carey	Ralph A. Garcia	Terry O'Dell	Dennis Stone
Harry Carey	Roger George *	Steve Ogden	Frank Story
Mike Carey	Dave Gerstenkorn	Chomi Oropeza	Rick Story
Vince Casas	Edward Giesler	Javier Otero	Alex Tejeda
Walter Cashwell	Tomas Gonzalez	Allen Palka	Lynne Tejeda
Dan Cassel	Thomas Grassi	Carliss Parks	Hugo Valdes
Manuel Castillo	Suzanne Greager	Jeff Partington	Bryan Veliz
Pat Cates	Sabrina Hall	Don Paxson	Mary Vidal
Jason Cohen	Susan Ham	Catherine Peace	Chuck Vinson
Michael Commander	Kevin Hawthorne	Matthew Pearce	Peggy Walls
David Cottar	Vicki Hawthorne	Desi Perez	Charles Walterson
Kevin Crockett	Timothy Hertzog	Jack Pins	Stefan Washington
Eric Cubria	Perry Hill	Jerry Pita	Chuck Weitzel
Fred Culpepper	Carl Jansen	Susana Plowman	Jack Wetzler
John Curry	Suki Karash	Eva Pope	Bruce Woodard
			Donnie Yarbrough

* Employee of the Quarter 2003

** Employee of the Year 2003