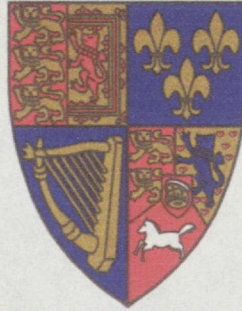


King George County, Virginia

DEPARTMENT OF FINANCE

William Skinker
Director of Finance



10459 Courthouse Drive, Suite 201
King George, Va. 22485
Telephone: (540) 775-1657
FAX: (540) 775-7692

August 16, 2005

Board of Directors
King George County Service Authority

RE: Funding for CIP for KGCSA

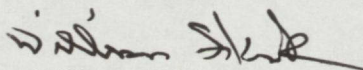
Per the CIP proposal, the amount to fund FY 06 CIP request is \$1,370,000.

The following is the breakdown on the request:

1. Perns to Purkins water and sewer extension \$1,000,000
Funding to be determined
2. Public Utilities Operations Center \$ 80,000
This is a County project.
3. The remaining \$ 290,000 is funded from the following:

| | |
|-----------------------------------|------------------|
| FVB Utility Relocation | \$105,000 |
| CIP Interest for FY06 | 100,000 |
| Tap fees or Operating Contingency | <u>85,000</u> |
| Total funding | <u>\$290,000</u> |

Some of the projects can wait until the second half of the year to allow a review of the effects of the rate adjustment on revenues.


William Skinker
Director of Finance