



DISTRICT ENGINEER'S ANNUAL REPORT TO THE LANDOWNERS

PAL MAR WATER CONTROL DISTRICT

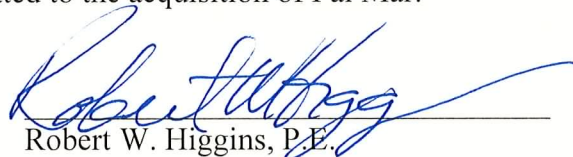
June 4, 2008

PUBLIC ACQUISITION OF PAL MAR:

It is the declared policy of the Board of Supervisors to support the efforts by any local, state or federal agency to place the Pal Mar Water Control District in public ownership. We have been directed by the Board to provide any information which will further this adopted policy and to keep the Board informed of any events related to Public Acquisitions.

As of April, 2008, the firm of SFRN, Inc. was replaced as District Engineer by Higgins Engineering, Inc.

The District Engineer will continue to coordinate with South Florida Water Management District, U.S. Army Corps of Engineers, and Martin County to assist in the acquisition. During the past year, the District Engineer has responded to requests for information from agencies related to the acquisition of Pal Mar.



Robert W. Higgins, P.E.
Pal Mar District Engineer

RWH:lgm