VIA FACSIMILE (707) 869-4005/EMAIL sws@monitor.net/FIRST CLASS MAIL

May 14, 2010

Steve Mack, General Manager
Sweetwater Springs Water District
P.O. Box 48
Guerneville, CA 95446

RE: LOW BIDDER: KAT CONSTRUCTION, INC.
PROJECT: CIP PH IV-B Project 2 - Distribution System Improvements

Dear Mr. Mack:

Please accept this letter as a formal bid protest against the low bidder on the above project. We request that the above contractor's bid be rejected due to the "non-responsiveness" of Kat Construction, Inc. We further ask that the project be awarded to the next responsive bidder. The facts are as follows:

CASE SUMMARY: KAT CONSTRUCTION, INC.

OSHA

OSHA Report #:0950621
Case Opened: 9/1/2006
Closed: 4/20/2007
2 Violations (totaling $350)
Violations: ID # 01001 – Type: Other Standards: 1509 C ($175) & 1527 A01 ($175)
Location of Project: Dobbins Way & Frienza, Sacramento, CA

FOUNDATION FOR FAIR CONTRACTING
3807 Pasadena Avenue, Suite 150 – Sacramento, CA 95821
(916) 487-7871 – Fax (916) 487-0306
www.ffccalifornia.com

LAWSUIT RECORD

Case Number: 2009266393HNB
Date Filed: 5/6/2009
Demand: $15,532.00
Filing Office: Orange County Municipal Court/Newport Beach
Plaintiffs: A & A Concrete Supply Inc
A & A Ready Mixed Concrete Inc
Defendants: Aleksandr Kovalev
KAT Construction, INC

CIVIL JUDGMENTS

Filing Number: 070809916
Filing Date: 10/31/2007
Creditor: City of Portland, OR
Debtor: Kovalev, Aleksandr
Debtor Amount: $4,649
Debtor: AK Home
Debtor Amount: $4,649

Filing Number: 070809578
Filing Date: 10/31/2007
Creditor: City of Portland, OR
Debtor: Kovalev, Aleksandr
Debtor Amount: $4,649
Debtor: Ely, Greg
Debtor Amount: $4,624

Filing Number: 0504211651
Filing Date: 4/21/2005 Satisfied: 6/19/2007
Creditor: Lowe's Home Centers, Inc
Debtor: Kovalev, Aleksandr
Debtor: Michael L. Tackett
Debtor: KAT Construction
Debtor Amount: $5,247

Filing Number: LCV0306803
Filing Date: 9/3/2004
Creditor: Nash, John - Individual
Debtor: Kovalev, Aleksandr
Debtor Amount: $2,250
Debtor: Alexander Construction Inc
Debtor Amount: $2,250
Debtor: IK_Contracting_LLC
Debtor Amount: $2,250

Filing Number: G03-2210
Filing Date: 3/17/2004 and again on 6/17/2004 - Satisfied
Creditor: Ramos Oil Company Inc
Debtor: Kovalev, Aleksandr
Debtor Alias: Kovaler, Alex V.
Debtor: Michael L. Tackett
Debtor Amount: $11,689

BUSINESS AFFILIATIONS

KAT Construction, 2949 Fulton Ave, Sacramento, CA
Principal: Aleksandr Kovalev
Registered Agent: Valentin Razumovsky
Dissolved – 5/15/2002

AK Custom Homes LLC, 11433 SE Idyllwild Ct, Clackamas, OR
Principal: Aleksandr Kovalev
Registered Agent: Aleksandr Kovalev
Inactive – 7/5/2002

KAT Construction, Inc, 3353 Bradshaw, Suite 226, Sacramento, CA 95827
Principal: Aleksandr Kovalev
Principal: Michael L Tackett
Registered Agent: Aleksandr Kovalev
Inactive – 8/6/2002

Kovalev & Tackett Construction, Inc, C/O Michael Tackett, 15134 W Polk, Goodyear, AZ 85338
Principal: Aleksandr Kovalev
Registered Agent: Michael Tackett
Revoked (Failure to file A/R) – 10/7/2002

AK Land Development, LLC, 11433 SE Idyllwild Ct, Clackamas, OR
Principal: Aleksandr Kovalev
Principal: Aleksandr Kovalev J
Registered Agent: Aleksandr Kovalev
Inactive – 4/4/2003

KAT Homes, 2949 Fulton Ave, Sacramento, CA
Principal: Aleksandr Kovalev
Registered Agent: Valentin Rozuminsky
Suspended – 8/30/2006

KAT Construction, P O Box 214265, Sacramento, CA 95821
CTTS shows the following addresses:

- **4251 Dry Creek Rd, Sacramento, CA 95838**
- **3353 Bradshaw Rd, Sacramento, CA 95827**

Principal: Aleksandr Kovalev
Registered Agent: Anna Tikmonin
Active – 1/2/2007

DUNN & BRADSTREET

The complete Dunn & Bradstreet report has been faxed for your review. You will see that they are financially in a "High Risk" of severe payment delinquency over next 12 months.

SUPPORTING ATTACHMENTS:

- **Attachment A – OSHA**
- **Attachment B – Lawsuits/Judgments**
- **Attachment C – Business/Executive Affiliations**
- **Attachment D – CTTS**
- **Attachment E – Dunn & Bradstreet Report**

Please contact our office with questions, comments, or clarifications. We thank you for your consideration and for maintaining the highest of standards at the Sweetwater Springs Water District.

Sincerely,

Bryan Berthiaume
Executive Director

cc: Jim Quigley, President - Sweetwater Springs Water District

Sukey Robb-Wilder, Vice President - Sweetwater Springs Water District

Gaylord Schaap, Financial Coordinator - Sweetwater Springs Water District

Victoria Wikle, Director - Sweetwater Springs Water District

Wanda Smith, Director - Sweetwater Springs Water District