



RHODE ISLAND

DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

235 Promenade Street, Providence, RI 02908-5767

TDD 401-222-4462

CERTIFIED MAIL

November 4, 2009

Paragon Mills, LLC
Attn: Ethan Colaiace, Authorized Agent
c/o SBER
166 Valley Street-Bldg. 6M-Suite 103
Providence, RI 02909

PERMIT TO ALTER FRESHWATER WETLANDS

Re: Application No. 08-0006 in reference to the location below:

At the Paragon Mills Dam – approximately 350 feet west of Valley Street and approximately 500 feet northwest of its intersection with San Souci Drive (and approximately 550 feet southwest of the intersection of Valley Street and Delaine Street), near Utility Pole No. 8, Assessor's Plat 35, Lot 571, Providence, RI.

Dear Mr. Colaiace:

The Department of Environmental Management's ("DEM") Freshwater Wetlands Program ("Program") has completed its review of your **Application to Alter a Freshwater Wetland** regarding the proposed partial removal of eastern portions of the Paragon Dam to restore anadromous fish passage beyond the second dam of the Woonasquatucket River, with associated dewatering, channel restoration, filling, grading, riparian plantings and other site alterations as described and detailed in the material and information submitted in support of your application and on site plans received by the DEM on August 19, 2009. These site plans describing the project were made available for public comment as part of the forty-five (45) day public notice period required in accordance with the Freshwater Wetlands Act (R.I. General Laws (R.I.G.L.) Section 2-1-18 et seq.) and the procedures set forth in Rule 10.00 of the Rules and Regulations Governing the Administration and Enforcement of the Freshwater Wetlands Act ("Rules").

This Program received one letter relating to your application, which was submitted during the public notice period. This letter expressed general support, but raised one concern regarding your project's impacts to freshwater wetland values. This Program reviewed this letter together with any supporting documents and evaluated the potential impacts from the project upon the values mentioned in the letters. The Program has determined that the comments contained within the letter do not constitute an objection of a substantive nature as defined in Rule 10.04 C (3). Therefore, a public hearing pursuant to R.I.G.L. Section 2-1-22 is not required.

Pursuant to the Program's review and evaluation of your application including all supporting information and material, as well as the record to date, the Program has determined that this project does not represent a random, unnecessary or undesirable alteration of freshwater wetlands. Therefore, this Program hereby issues this Permit to Alter Freshwater Wetlands **subject to all controlling Rules and the Terms and Conditions set forth herein.**



30% post-consumer fiber

Permit Terms and Conditions for Application No. 08-0006:

1. This letter is the DEM's permit for this project under the R.I. Fresh Water Wetlands Act, Rhode Island General Laws (RIGL) Section 2-1-18 et seq.
2. This permit is specifically limited to the project, site alterations and limits of disturbance as detailed on the site plans submitted with your application and received by the DEM on August 19, 2009. A copy of the site plans stamped approved by the DEM is enclosed. Changes or revisions to the project which would alter freshwater wetlands are not authorized without a permit from the DEM.
3. Where the terms and conditions of the permit conflict with the approved site plans, these terms and conditions shall be deemed to supersede the site plans.
4. You must notify this Program in writing immediately prior to the commencement of site alterations and upon completion of the project.
5. A copy of the stamped approved site plans and a copy of this permit must be kept at the site at all times during site preparation, construction, and final stabilization. Copies of this permit and the stamped approved plans must be made available for review by any DEM or City representative upon request.
6. Within ten (10) days of the receipt of this permit, you must record this permit in the land evidence records of the City of Providence and supply this Program with written documentation obtained from the City showing this permit was recorded.
7. The effective date of this permit is the date this letter was issued. This permit expires one (1) year from the effective date unless renewed pursuant to Rule 11.02.
8. Any material utilized in this project must be clean and free of matter which could pollute any freshwater wetland. All material brought onto the site for placement into and along the river channel as part of the channel restoration is to be sampled at an interval of one (1) sample per 500 cubic yards of material, and include testing for the basic Office of Waste Management ("OWM") analytical spectrum for laboratory testing. Analytical results and information on the source of fill is to be provided to this office prior to the material being placed in the river.
9. Prior to commencement of site alterations, you shall erect or post a sign resistant to the weather and at least twelve (12) inches wide and eighteen (18) inches long, which boldly identifies the initials "DEM" and the application number of this permit. This sign must be maintained at the site in a conspicuous location until such time that the project is complete and the DEM issues a Notice of Completion of Work for the project.
10. Temporary erosion and sediment controls detailed or described on the approved site plans shall be properly installed at the site prior to or commensurate with site alterations. Such controls shall be properly maintained, replaced, supplemented, or modified as necessary throughout the life of this project to minimize soil erosion and to prevent sediment from being deposited in any wetlands not subject to disturbance under this permit.
11. Upon permanent stabilization of all disturbed soils, temporary erosion and/or sediment controls consisting of silt fence, sandbags and any other sediment control measures to be utilized as described or depicted on the site plans and within the supporting documentation must be removed.

12. You are responsible for the proper installation, operation, maintenance and stability of any coffer dams, mitigative features, facilities, and systems of treatment and control which are installed or used in compliance with this permit to prevent harm to adjacent wetlands.
13. You are obligated to install, utilize and follow all best management practices detailed or described on the approved site plans in the construction of the project to minimize or prevent adverse impacts to any adjacent freshwater wetlands and the functions and values provided by such wetlands.
14. All construction activities involving soil disturbances within watercourses must be limited to the low flow period (i.e., the period from July 1 to October 31 of any calendar year). Soil disturbance in the watercourse must temporarily cease in the event of any abnormally high stormwater runoff event during the low flow period.
15. Continuous monitoring of the discharge from the fractionalization tank(s) and the bag filter operation are to be conducted to ensure that the system is functioning properly and the discharge remains at a turbidity no more than 10 NTUs. The discharge shall be sampled and tested at least weekly, and records of this testing is to be kept on site and made available upon the request of DEM.
16. The storage, transport and disposal of any sediments removed from the river or recovered by the fractionalization tanks is to be handled in strict accordance with the "Soil Management Plan" submitted to this Program as part of the documentation submitted in support of the application.
17. All plantings of shrubs, trees or other forms of vegetation as shown or detailed on the approved plans, or detailed in this permit, must be installed as soon as possible after completion of final grading; weather and season permitting. You must notify this Program in writing upon completion of the required plantings for a compliance inspection by a Program representative.
18. Buffer zone plantings of trees and/or shrubs proposed between the project and any adjacent freshwater wetland areas, except for necessary replacement, must be allowed to develop naturally without being subjected to mowing or manicuring.
19. Boulders to be placed in the river channel to provide fish resting areas are also to be placed in a manner that does not create substantial obstructions or safety hazards for recreational boaters.
20. You must provide written certification from a registered professional engineer that the restored river channel, substrate (nested channel), armoring, filling and grading work have been constructed in accordance with the site plans approved by this permit. This written certification must be submitted to this Program within twenty (20) days of its request or upon completion of the project.
21. This Program has made specific revisions to the approved site plans. These revisions are clearly marked in red on the approved plans. Specifically, the limits of disturbance have been revised on Sheet 3 of 8 to enclose all proposed work, and planting zones notes have been added and redlined on Sheet 7 of 8 have to clarify the proposed planting zones (since the print on duplicate copies is not clear). This project must take place in compliance with these revisions.

Pursuant to the provisions in Rule 7.09 and Rule 11.04, as applicable, any properly recorded and valid permit is automatically transferred to the new owner upon sale of the property.

You are required to comply with the terms and conditions of this permit and to carry out this project in compliance with the Rules at all times. Failure to do so may result in an enforcement action against you by the DEM.

In permitting the proposed alterations, the Program assumes no responsibility for damages resulting from faulty design or construction. This permit does not remove your obligation to obtain any local, state, or federal approvals or permits required by ordinance or law and does not relieve you from any duties owed to adjacent landowners with specific reference to any changes in drainage.

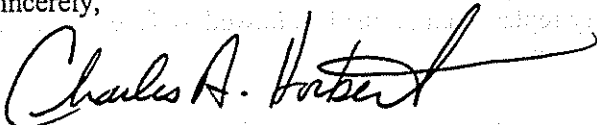
If you are aggrieved by this decision, you may, within thirty (30) days of the receipt of this letter, request an adjudicatory hearing in writing. This request must be sent directly to the DEM Administrative Adjudication Division ("AAD"), 235 Promenade Street, Providence, RI 02908. A copy of the request must also be forwarded to both this Program and DEM's Office of Legal Services at the same address. Your written request for an adjudicatory hearing must be timely filed and should conform to the requirements of Rule 7.00(b) of the "Administrative Rules of Practice and Procedure for the Department of Environmental Management Administrative Adjudication Division for Environmental Matters", (AAD Rules). AAD Rule 7.00(b) provides:

"The request for hearing shall state clearly and concisely the specific issues which are in dispute and the facts in support thereof, the relief sought if any, the license or permit sought or involved and any additional information required by applicable statutes and regulations."

The written request must be accompanied by a fee of two thousand dollars (\$2,000.00); in the form of a certified bank check or money order made payable to the Rhode Island General Treasurer; however, in the event that the cost of the hearing exceeds the fee paid, the Program through the AAD will require an additional fee which the applicant must submit prior to the DEM's issuance of any final decision regarding this application. The adjudicatory hearing will be held before a Hearing Officer from the AAD. Such hearing will be held in compliance with the AAD Rules, Chapter 42-35-1 *et seq.* of the R.I.G.L., and other governing laws, rules, and regulations adopted by the DEM. Please note that you have the right to be represented by legal counsel in any proceeding, which may be held in this matter.

If you have any questions regarding this matter, you may contact me or Nancy Freeman of my staff at this office (telephone: 401-222-6820).

Sincerely,



Charles A. Horbert, Program Supervisor
Office of Water Resources
Freshwater Wetlands Program
CAH/NLF/nlf

Enclosure: Approved Site Plans

xc David Kerins, Acting Chief, DEM Administrative Adjudication Division
Russell Chateauf, PE, Chief of Groundwater and Wetlands Protection
Neal Personeus, Water Quality Certification Program
Mary Kay, Acting Executive Counsel, Office of Legal Services
Phil Edwards, RIDEM Division of Fish & Wildlife
David S. Reis, Supervising Environmental Scientist, CRMC
Michael Elliott, U.S. Army Corps of Engineers, New England District
Thomas Deller, Providence Planner and Development Director
Eugenia Marks, Sr. Policy Director, Audubon Society of Rhode Island
Sam Whitin, Project Manager, EA Engineering, Science and Technology, Inc.
Andrew Lipsky, Natural Resource Conservation Service (USDA)
Joe Taraborelli, ABC Realty Company
Leo A. Tracey, 25 Manton Avenue Association, LLC
Michael Eides, Delaine Street Property, Inc.