



FLORIDA DEPARTMENT OF Environmental Protection

Northwest District
160 W. Government Street, Suite 308
Pensacola, FL 32502

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Shawn Hamilton
Interim Secretary

June 18, 2021

Stacy Watson May, Esq.
Holland & Knight LLP
50 N. Laura Street, Suite 3900
Jacksonville, FL 32202
Stacy.WatsonMay@hklaw.com

Mason Faggert, Plant Manager
Kraton Chemical, LLC, Panama City Facility
2 South Everitt Avenue
Panama City, Florida 32401
mason.faggert@kraton.com

Re: Kraton Chemical, LLC, Panama City Facility
Facility ID No. 0050001
Bay County

Dear Ms. May and Mr. Faggert:

The Department carefully reviewed Kraton Chemical, LLC's June 4 response to the proposed short form consent order, OGC # 21-0413. After careful consideration, the Department has revised the proposed consent order. The Department reduced the number of violations for failure to comply with facility-wide reporting requirements RR.2 and RR.3 of permit 0050001-028-AV to one violation. However, upon further review, an additional violation for failure to comply with specific condition F.3 was discovered. The February 13, 2020 drop in caustic concentration to 4.8%, was discussed in a June 8 telephone conversation with Mr. Chris Kull and Mr. Dan Stripling and this violation has been added to this proposed consent order.

Please execute and return the revised consent order within 15 days of receipt of this letter. Please direct your written or emailed response to Ms. Carol Melton, at Carol.Melton@floridadep.gov.

Kraton Chemical, LLC, Panama City Facility

Facility ID No. 0050001

Page 2 of 2

Sincerely,

A handwritten signature in blue ink that reads "Elizabeth Mullins Orr". The signature is fluid and cursive, with the first name "Elizabeth" being the most prominent.

Elizabeth Mullins Orr

Northwest District Director

Florida Department of Environmental Protection

EMO/cm/

Enclosure: Second Revised Short Form Consent Order OGC # 21-0413

ec: Khalid Hasna, Manager Environmental Programs, Kraton Chemical, LLC,

Khalid.Hasna@kraton.com

Chris Kull, HSES Leader, Kraton Chemical, LLC, Christopher.Kull@kraton.com

Dan Stripling, HSES Engineer, Kraton Chemical, LLC, Daniel.Stripling@kraton.com



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June 18, 2021

Mason Faggert, Plant Manager
Kraton Chemical, LLC, Panama City Facility
2 South Everitt Avenue
Panama City, Florida 32401
mason.faggert@kraton.com

SUBJECT: Department of Environmental Protection v. Kraton Chemical, LLC, OGC File
No.: 21-0413
Facility ID No. Air_0050001

Mr. Faggert:

The State of Florida Department of Environmental Protection ("Department") finds that Kraton Chemical, LLC ("Respondent"):

- 1) Failed to apply known and existing vapor emission controls while processing volatile organic compounds; and failed to collect and route emissions of off gases from the hot wells to the existing thermal oxidizer system for incineration, due to operator error on February 2, 2021. This was in violation of Rules 62-213.440(1) and 62-296.320(1), Florida Administrative Code (F.A.C.), facility wide condition FW3 and specific condition B.3 of permit 005001-028-AV.
- 2) Failed to utilize a minimum of 6% caustic solution plus or minus 10% in the caustic scrubber associated with emission unit 034 on February 13, September 25 and December 28, 2020, in violation of specific condition F.3 of permit 0050001-028-AV.
- 3) Failed to immediately report the February 13, September 25 and December 28, 2020, inability to comply with permit specific condition F.3 to the department, in violation of facility-wide reporting requirements RR.2 and RR.3 of permit 0050001-028-AV.
- 4) Failed to submit an annual statement of compliance for 2020 to the Department within 60 days after the end of calendar year 2020, in violation of facility-wide condition FW7, of permit 0050001-028-AV.

Although there are no actions required to correct the violation(s), the Respondent remains subject to civil penalties as a result of the violation(s). The Respondent is also responsible for costs incurred by the Department during the investigation of this matter.

The Department's Offer

Based on the violations described above, the Department is seeking \$24,750 in civil penalties and \$250 for costs and expenses the Department has incurred in investigating this matter, which amounts to a total of \$25,000. The civil penalties are apportioned as follows: \$4,500 for violation of Rules 62-213.440(1) and 62-296.320(1), F.A.C., facility wide condition FW3 and specific condition B.3 of permit 005001-028-AV; \$18,000 for violations of specific condition F.3 of permit 0050001-028-AV; \$1,500 for violation of facility-wide reporting requirements RR.2 and RR.3 of permit 0050001-028-AV; and \$750 for violation of facility-wide condition FW7, of permit 0050001-028-AV.

Respondent's Acceptance

If you wish to accept this offer and fully resolve the enforcement matter pending against the Respondent, please sign this letter and return it to the Department at Northwest District, 160 West Government Street, Suite 308, Pensacola, Florida, 32502-5740 by June 30, 2021. The Department will then countersign it and file it with a designated clerk of the Department. Once the document is filed with the designated clerk, it will constitute a final order of the Department pursuant to Section 120.52(7), F.S. and will be effective unless a request for an administrative hearing is filed by a third party in accordance with Chapter 120, F.S. and the attached Notice of Rights.

By accepting this offer you, Mason Faggert:

- (1) Certify that you are authorized and empowered to negotiate, enter into, and accept the terms of this offer in the name and on behalf of Respondent;
- (2) Acknowledge and waive Respondent's right to an administrative hearing pursuant to Sections 120.569 and 120.57, F.S., on the terms of this offer, once final; and
- (3) Acknowledge and waive Respondent's right to an appeal pursuant to Section 120.68, F.S.

The Department acknowledges that the Respondent's acceptance of this offer does not constitute an admission of liability for the violation(s) referenced above.

Respondent's Performance

After signing and returning this document to the Department,

- (1) Respondent must pay \$ 25,000 in full by July 15, 2021.
- (2) Respondent shall make all payments required by this Order by cashier's check, money order or on-line payment. Cashier's check or money order shall be made payable to the "Department of Environmental Protection" and shall include both the OGC number assigned to this Order and the notation "Water Quality Assurance Trust Fund." Online payments by e-check can be made by going to the DEP Business Portal at:
<http://www.fldepportal.com/go/pay/>

It will take a number of days after this order is final, effective and filed with the Clerk of the Department before ability to make online payment is available.

The Department may enforce the terms of this document, once final, and seek to collect monies owed pursuant to Sections 120.69 and 403.121, F.S.

Until clerked by the Department, this letter is only a settlement offer and not a final agency action. Consequently, neither the Respondent nor any other party may request an administrative hearing to contest this letter pursuant to Chapter 120, F.S. Once this letter is clerked and becomes a final order of the Department, as explained above, the attached Notice of Rights will apply to parties, other than the Respondent, whose interests will be substantially affected. Electronic signatures or other versions of the parties' signatures, such as .pdf or facsimile, shall be valid and have the same force and effect as originals. No modifications of the terms of this Order will be effective until reduced to writing, executed by both Respondent and the Department, and filed with the clerk of the Department.

Please be aware that if the Respondent declines to respond to the Department's offer, the Department will assume that the Respondent is not interested in resolving the matter and will proceed accordingly.

If you have any questions, please contact Carol Melton at 850-595-0616 or at Carol.Melton@FloridaDEP.gov.

Sincerely,

A handwritten signature in blue ink that reads "Elizabeth Mullins Orr". The signature is fluid and cursive, with the last name "Orr" being particularly prominent.

Elizabeth Mullins Orr, Director
Northwest District
Florida Department of Environmental
Protection

FOR THE RESPONDENT:

I, _____ [Type or Print Name], **HEREBY ACCEPT
THE TERMS OF THE SETTLEMENT OFFER IDENTIFIED ABOVE.**

By: _____ Date: _____
[Signature]

Title: _____
[Type or Print]

FOR DEPARTMENT USE ONLY

DONE AND ORDERED this # day of Month, Year, in County County, Florida.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION

Elizabeth Mullins Orr
District Director
Northwest District Director

Filed, on this date, pursuant to section 120.52, F.S., with the designated Department Clerk,
receipt of which is hereby acknowledged.

Clerk Date
Attachments: Notice of Rights
Warning Letter

Final clerked copy furnished to:
Lea Crandall, Agency Clerk (lea.crandall@dep.state.fl.us)

cc: Khalid Hasna, Manager Environmental Programs, Kraton Chemical, LLC,
Khalid.Hasna@kraton.com
Chris Kull, HSES Leader, Kraton Chemical, LLC, Christopher.Kull@kraton.com
Dan Stripling, HSES Engineer, Kraton Chemical, LLC, Daniel.Stripling@kraton.com
Stacy Watson May, Esq., Stacy.WatsonMay@hklaw.com

NOTICE OF RIGHTS

Persons who are not parties to this Order, but whose substantial interests are affected by it, have a right to petition for an administrative hearing under Sections 120.569 and 120.57, Florida Statutes. Because the administrative hearing process is designed to formulate final agency action, the filing of a petition concerning this Order means that the Department's final action may be different from the position it has taken in the Order.

The petition for administrative hearing must contain all of the following information:

(a) The name and address of each agency affected and each agency's file or identification number, if known;

(b) The name, address, any e-mail address, any facsimile number, and telephone number of the petitioner, if the petitioner is not represented by an attorney or a qualified representative; the name, address, and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination;

(c) A statement of when and how the petitioner received notice of the agency decision;

(d) A statement of all disputed issues of material fact. If there are none, the petition must so indicate;

(e) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action;

(f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action, including an explanation of how the alleged facts relate to the specific rules or statutes; and

(g) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the agency to take with respect to the agency's proposed action.

The petition must be filed (received) at the Department's Office of General Counsel, 3900 Commonwealth Boulevard, MS# 35, Tallahassee, Florida 32399-3000 or received via electronic correspondence at Agency_Clerk@floridadep.gov, within 21 days of receipt of this notice. A copy of the petition must also be mailed at the time of filing to the District Office at the address indicated above. Failure to file a petition within the 21-day period constitutes a person's waiver of the right to request an administrative hearing and to participate as a party to this proceeding under Sections 120.569 and 120.57, Florida Statutes. Mediation under Section 120.573, Florida Statutes, is not available in this proceeding.



FLORIDA DEPARTMENT OF Environmental Protection

Northwest District
160 W. Government Street, Suite 308
Pensacola, FL 32502

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Noah Valenstein
Secretary

April 5, 2020

Mason Faggert, Plant Manager
Kraton Chemical, LLC, Panama City Facility
2 South Everitt Avenue
Panama City, Florida 32401
mason.faggert@kraton.com

Re: Warning Letter
Kraton Chemical, LLC, Panama City Facility
Facility ID No. 0050001
Bay County

Dear Mr. Faggert:

A file review of your facility was conducted on March 17, 2021. During this review, possible violations of Chapter 403, F.S., Chapter 62-296, Florida Administrative Code (F.A.C.), and Chapter 62-213, F.A.C., were observed.

Specifically, On February 2, 2021, volatile organic compounds including some hazardous air pollutants from emission units 034- Thermal Oxidizer, 013- Rosin Treater Kettles G350 & G360, 029- Rosin Treater G370 & 380 and 033- Tall Oil Refinery vented uncontrolled to the atmosphere due to operator error, for 14 minutes, 9 minutes, 1 minute, and 18 minutes, respectively. This was [self-reported](#) by email to the department on February 3 and in a [follow-up report](#) submitted to the department on February 12. The February 2 incident failed to comply with facility wide condition FW3 of permit 005001-028-AV; and with specific condition B.3 (for EU 033) of permit 005001-028-AV, which provides: "emissions or off gases from the hot wells and oily water closed system shall be collected and routed to the existing thermal oxidizer system (EU 034) for incineration. [Rules 62-4.070(3), 62-213.440(1) and 62-213.440(4)(a), F.A.C., and Permit No. 0050001-018-AC]"

The facility's February 11, 2021, [Title V semiannual report for the second half of 2020](#), and March 12, 2021, [additional information](#) reported two incidents of the solution used in the caustic scrubber, associated with emission unit 034, dropping below 6% caustic plus or minus 10% error. The first incident occurred on September 25, 2020 with the scrubber solution dropping to 5.1% caustic for at least 59 minutes; and the second incident occurred on December 28, 2020 with scrubber solution dropping to 5.3% for at least 67 minutes. These incidents failed to comply with specific condition F.3 of permit 0050001-028-AV, and with facility-wide reporting requirements RR.2 and RR.3 of permit 0050001-028-AV.

An annual statement of compliance for 2020 for the facility has not been submitted; and was due by March 1, 2021. This failed to comply with facility-wide condition FW7, of permit 0050001-028-AV.

Please respond in writing within **15 days** of receipt of this Warning Letter. Please direct your written or emailed response to Ms. Carol Melton, at Carol.Melton@floridadep.gov or at (850)595-0616. Based on our review of the submitted information, a meeting or teleconference may be required. The Department is interested in receiving any facts you may have that will assist in determining whether any violations have occurred.

Please be advised that this Warning Letter is part of an agency investigation, preliminary to agency action in accordance with section 120.57(5), Florida Statutes. We look forward to your cooperation in completing the investigation and resolving this matter.

Sincerely,



Erin Rasnake,
Northwest Assistant District Director
Florida Department of Environmental Protection

EMO/cm/

ec: Dan Stripling, HSES Engineer, Kraton Chemical, LLC, Daniel.Stripling@kraton.com