

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 17, 2013

Mr. Eric Mitchell  
Property Manager  
Orchid Beach Club Residences  
2050 Ben Franklin Drive  
Sarasota, FL 34236

**CPF 2-2013-0005W**

Dear Mr. Mitchell:

On February 14, 2013, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, inspected the Orchid Beach Club master meter and downstream piping and facilities at 2050 Ben Franklin Drive, Sarasota, Florida.

As a result of the inspection, it appears that Orchid Beach Club has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are as follows:

**1. §192.455 External corrosion control: Buried or submerged pipelines installed after July 31, 1971.**

**(a) Except as provided in paragraphs (b), (c), and (f) of this section, each buried or submerged pipeline installed after July 31, 1971, must be protected against external corrosion, including the following:**

**... (2) It must have a cathodic protection system designed to protect the pipeline in accordance with this subpart, installed and placed in operation within 1 year after completion of construction.**

Orchid Beach Club did not install, and place in operation within one year after completion of construction, a cathodic protection system designed to protect a buried pipeline against external corrosion. The PHMSA inspector identified a buried 2-inch coated steel pipeline approximately 25 feet long located near the association's swimming pool that does not have a cathodic protection system. This pipeline was constructed approximately seven years ago without an impressed current cathodic protection system, sacrificial anodes, or any other system to protect the pipeline from external corrosion.

**2. §192.481 Atmospheric corrosion control: Monitoring.**

**(a) Each operator must inspect each pipeline or portion of pipeline that is exposed to**

the atmosphere for evidence of atmospheric corrosion, as follows:

<b>If the pipeline is located:</b>	<b>Then the frequency of inspection is:</b>
<b>Onshore</b>	<b>At least once every 3 calendar years, but with intervals not exceeding 39 months</b>
<b>Offshore</b>	<b>At least once each calendar year, but with intervals not exceeding 15 months</b>

**... (c) If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion as required by Sec. 192.479.**

Orchid Beach Club did not inspect its onshore pipeline exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 calendar years, but with intervals not exceeding 39 months. Moreover, Orchid Beach Club did not provide protection against atmospheric corrosion in accordance with §192.479, which requires pipelines to be properly cleaned and coated to prevent atmospheric corrosion.

The PHMSA inspector observed and photographed piping at an insulated union just downstream of the master meter that showed signs of atmospheric corrosion. This portion of pipeline had not been properly cleaned and coated to prevent atmospheric corrosion.

**3. §192.625 Odorization of gas.**

**... (f) To assure the proper concentration of odorant in accordance with this section, each operator must conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable. Operators of master meter systems may comply with this requirement by-**

- (1) Receiving written verification from their gas source that the gas has the proper concentration of odorant; and**
- (2) Conducting periodic "sniff" tests at the extremities of the system to confirm that the gas contains odorant.**

Orchid Beach Club did not present to the PHMSA inspector any records to demonstrate that it had assured the proper concentration of odorant in its pipeline system by receiving written verification from its gas source that the gas has the proper concentration of odorant or by conducting periodic "sniff" tests at the extremities of the system to confirm that the gas contains odorant.

**4. §192.723 Distribution systems: Leakage surveys.**

**(a) Each operator of a distribution system shall conduct periodic leakage surveys in accordance with this section.**

**(b) The type and scope of the leakage control program must be determined by the nature of the operations and the local conditions, but it must meet the following minimum requirements:**

**... (2) A leakage survey with leak detector equipment must be conducted outside business districts as frequently as necessary, but at least once every 5 calendar years at intervals not exceeding 63 months. However, for cathodically unprotected**

**distribution lines subject to § 192.465(e) on which electrical surveys for corrosion are impractical, a leakage survey must be conducted at least once every 3 calendar years at intervals not exceeding 39 months.**

Orchid Beach Club did not present to the PHMSA inspector any records to demonstrate that it had conducted a leakage survey with leak detector equipment at its 11 story buildings with 54 residential units at least once every 5 calendar years and at intervals not exceeding 63 months.

**5. §192.747 Valve maintenance: Distribution systems.**

**(a) Each valve, the use of which may be necessary for the safe operation of a distribution system, must be checked and serviced at intervals not exceeding 15 months, but at least once each calendar year.**

**(b) Each operator must take prompt remedial action to correct any valve found inoperable, unless the operator designates an alternative valve.**

Orchid Beach Club did not present to the PHMSA inspector any records to demonstrate that it had checked and serviced its shut off (or key valve) which may be necessary for the safe operation of its distribution system at intervals not exceeding 15 months, but at least once each calendar year.

Under 49 United States Code, § 60122, Orchid Beach Club is subject to a civil penalty not to exceed \$ 200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the items identified in this letter. Failure to do so will result in Orchid Beach Club, being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 2-2013-0005W**. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,

Wayne T. Lemoi  
Director, Office of Pipeline Safety  
PHMSA Southern Region