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Gretna's dream Green Team

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JEFF BEIERMANN/THE WORLD-HERALD

Tyson O'Rouke of Geothermal Green Team carries 200 feet of dual plastic tubing that fits into the holes drilled into the ground for the geothermal system during work on a project at Boys Town.

Owners of a Gretna firm that installs energy-efficient heating and cooling systems say business has been red hot since the company launched in 2008

Co-owners Tyler Volk, Jay Hazlewood and Tim Huttmann started the Geothermal Green Team after previously owning separate construction firms that subcontracted with utility companies to do excavation, drilling and trenching.

The trio, who also had worked for other geothermal companies, decided they could make a go of independently installing ground-source heat pumps, systems that cool homes and businesses by pumping warm air out of structures and into the ground during the summer, and circulating warm air from the ground into buildings during the winter.

The systems also heat water in residential and commercial water heaters.

"We saw our utility side slowing down a little bit, and with all the geothermal work going on and with as much money it saves everybody in the tax credits, it was a perfect transition," Volk said.

Volk said the partners believed the business concept held promise for future growth.

"I don't know if we knew it would this fast," he said.

Geothermal Green Team, which employs 17 people, has prospered despite lower consumer spending and shrinking construction projects during the recession, the owners said.

They declined to disclose revenue or sales figures, but the average residential ground-source heat pump system costs between \$12,000 and \$14,000, and the company has installed about 200 of them.

Boys Town contracted with the Green Team to install systems in eight homes and then increased the order to 16.

Judy Rasmussen, Boys Town executive vice president and chief financial officer, said the organization hired the company because of its solid reputation and competitive bid.

Boys Town expects to install more geothermal systems in the future, she said.

Boosting the company's performance are federal tax credits available to businesses and homeowners who install energy-efficient systems, which can cut heating and cooling bills by as much as 80 percent, Volk said.

The 30 percent tax credit reduces the cost of a ground-source geothermal system to between \$8,400 and \$9,800, Volk said.

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"We just saw a need," he said. "We went and bought a drill and started drilling."

The partners bought three regular drills and one sonic drill, which alone cost \$540,000. But the equipment has allowed the business to expand across a region that encompasses Kansas, South Dakota and Missouri, Volk said.

The sonic drill works faster and goes deeper, giving the Green Team a competitive advantage, he said.

For example, at one project in downtown Des Moines, three competitors tried to drill a required 200-foot hole over four days and failed, reaching only 80 feet, Volk said. His company did the job in two hours, he said.

"If you get into heavy rock, sands and gravels that are really hard to drill, the sonic drill vibrates about 180 times a second and actually advances a casing in the ground. It does things the other guys can't do."

Volk, Hazlewood and Huttmann obtained a Small Business Administration-backed loan from Wells Fargo to finance the purchase of the cutting-edge drill. The SBA also approved a \$200,000 line of credit from the Bank of Nebraska.

Geothermal energy projects have received more attention from the federal government in the past year than ever because of the stimulus law, which included \$350 million for tax credits, Volk said.

Heading into the spring and summer, the Geothermal Green Team will be working on a handful of projects, including the installation in mid-June of a system at Iowa Gov. Chet Culver's mansion in Des Moines.

"As we start winning more big jobs then we'll buy more equipment and hire more guys," Volk said.

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