

PIPE BURSTING

Profile


BURSTING WITH SUCCESS

BY DIGGING INTO TRENCHLESS TECHNOLOGY, CALIFORNIA
CONTRACTOR BROKE GROUND IN PROFITABLE NEW MARKETS

STORY: KEN WYSOCKY PHOTOS: LEZLIE STERLING



Technician Cody Pingree reaches for equipment as he waits for the bursting head to reach his location. The company was installing a new line from a home to the main sewer system.



Express Sewer & Drain technicians, from left, Will Blake, Cody Pingree and John Rogers set up for a pipe bursting job at a home near Sacramento.

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Bill Heinselman

old entrepreneur reach a tipping point in 2009 that prompted him to invest in a pipe bursting system made by TRIC Tools. That calculated gamble helped him turn a business that primarily centered on plumbing and drain cleaning into a multifaceted company.

In fact, Express now owns a fleet of equipment worth about \$4 million, and does everything from pipe lining and lateral reinstatements to traditional excavating and waterline replacements, to inspecting, cleaning and repairing mainline and lateral sewer lines for residential, commercial and municipal customers. The company is even equipped to do its own asphalt repaving, which saves time — and even further reduces Heinselman's dependence on subcontractors.

"I get easily annoyed with subcontractors that always let us down and don't do work that meets our standards," explains Heinselman, who started his company in 2007. "That's how we got into pipe bursting and pipelining and asphalt repairs. Everything was born of necessity.

"In fact, we got into pipe bursting because I complained to a subcontractor who kept failing to show up on jobs," he continues. "He said, 'If you

don't like it, why don't you go out and buy your own equipment.' So I did.

"It was the best thing he could've said to me — and the best move I ever made," he adds. "Now we do pipe bursting every day and sometimes three or four times a day. And trenchless excavation generates about 35 percent of our annual revenue."

A GO-GETTER GETS GOING

Heinselman has been working in the sewer industry ever since he took a summer job at a sewer district in northern California at age 19, doing sewer maintenance and repair. "I liked it a lot," he recalls. "The work was challenging and it was something I understood and was good at. I stayed there for 14 years and was promoted multiple times. But I finally reached a point where I wanted something more."

That "something more" turned out to be plumbing and drain cleaning. Heinselman was motivated

Trenchless excavation contractor Bill Heinselman has zero tolerance for subcontractors who don't show up on jobs. Yet ironically enough, he owes such underperformers a debt of thanks, because they're one of the main reasons why his company — Express Sewer & Drain in Rancho Cordova, California — compiled \$10 million in gross revenue in 2016.

Of course, other factors also play a large role in his company's rapid growth: a willingness to invest in advanced technology, providing excellent customer service, an uncompromising do-the-job-right-or-don't-do-it-at-all philosophy, and an emphasis on developing diversified but complementary services that make the company more attractive to customers who prefer dealing with just one contractor.

But in the end, Heinselman's impatience with undependable subcontractors helped the 42-year-

Pipe bursting systems bring on the power — and boost profitability

The last thing a pipe bursting contractor wants to deal with is a bursting head stuck in a tangle of tree roots or a dense, hardpan layer of soil, courtesy of an under-powered bursting system. But thanks to TRIC Tools, that's rarely a concern for Bill Heinselman, the founder, owner and president of Express Sewer & Drain in Rancho Cordova, California.

Express Sewer owns four TRIC Tools pipe bursting systems: two X20 models (20 tons of pulling force at 9,600 psi), one X30 (29.5 tons at 6,000 psi) and one M50 (48 tons at 5,000 psi). "TRIC Tools pipe bursters are one of my favorite machines," Heinselman says. "They're the best pulling systems on the market.

"One reason I say that is they work really well — they don't break down," he explains. "And they pull with a lot of force. In addition, they're easy to set up. ... The design is very user friendly." Employees can set up the X30s in just five or 10 minutes, he notes.

Another advantage: The machines' small footprints allow Heinselman to use them in confined spaces — even in manholes — where other systems might not fit. "That's extremely important," he says. Moreover, the units are light enough that employees can load and unload them manually, which eliminates the expense associated

with bringing to a job site a backhoe or an excavator to do the heavy lifting, he adds.

All these time-saving benefits also reduce job costs, which in turn make it easier to submit winning bids on municipal projects. "If your system enables you to cut, say, \$5,000 from the cost of a project, you just ensured you're going to win the bid because your competitors' costs will be higher," Heinselman says.

At Express Sewer, crews using an X30 machine for residential work have pulled up to four new lateral lines in a day, each one roughly 60 to 80 feet long. "Most companies can typically pull just one line a day," he says.

When pulling in 8- or 10-inch-diameter mainline sewer pipe, crews bust out the M50, with its 96,000 pounds of pulling force. But Heinselman notes that while most jobs never require that much power, it's good to know it's available when needed.

"If you run into hard ground, you need almost every pound of that force," he explains. "If you don't have enough power and get stuck, you're screwed because now you have no mainline (sewer) service. So you have to dig out the bursting head, make a line repair, use bypass pumps and repave a road, plus possibly pay fines imposed by regional water-quality control boards for sewer overflows."

by the high prices he saw other contractors charge for replacing residential sewer laterals; he figured he could gain market share while charging much less — and still generate a decent profit. "It was a tough decision, because I had a great job with great pay and benefits," he recalls. "But it has paid off."

Not right away, however. Heinselman says he cleared less than \$150,000 during his first full year of operation. But by capitalizing on high demand for replacing aging and failing sewer lines, the business quickly gained traction. In fact, the company's gross revenue roughly doubled nearly every year for the last six or seven years, he says.

A big chunk of that business comes from upsizing undersized, 4-inch-diameter sewer mains (mostly installed in the 1950s and '60s) to 6- or 8-inch-diameter mains — a job that's tailor-made for pipe bursting. The company's first big capital investment was a TRIC Tools pipe bursting system, which Heinselman notes was a huge financial gamble at the time. But with help from Alpine Leasing (now Alpine Equipment Funding,) he signed a lease-to-buy contract that made it more affordable.

"It's ironic because we used to hire a subcontractor to do our pipe bursting," he says. "Now we pipe burst (as a subcontractor) for 20 or 30 companies in the Sacramento area."

It wasn't hard to get customers — both homeowners and municipalities — to buy into the trenchless pipe bursting approach. "Here's the thing," he explains. "Customers are a lot happier when jobs get finished fast. Plus, when you work fast, you can dramatically lower your overall costs." That gives the company a better chance at winning job bids and also leads to word-of-mouth referrals.

Moreover, there are a lot of aging Orangeburg pipes in the area, and



Technician Will Blake works with pipe bursting equipment (TRIC Tools).

Express Sewer & Drain Rancho Cordova, California

OWNER: William "Bill" Heinselman

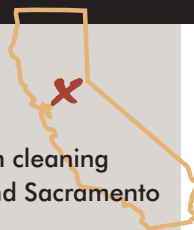
FOUNDED: 2007

EMPLOYEES: 50

SPECIALTIES: Pipe bursting and drain cleaning

SERVICE AREA: 50-mile radius around Sacramento

WEBSITE: www.expresssewer.com



more and more of them are failing as they reach the end of their life cycles. And pipe bursting is the cheapest, least intrusive and fastest way to repair them. “We pull a new line, then get it inspected and restored the next day,” Heinselman explains.

A BURST OF PRODUCTIVITY

In and of itself, the pipe bursting process is relatively simple. In essence, a hydraulically powered winch — capable of generating tens of thousands of pounds of pressure — pulls a bullet-shaped bursting head through an existing pipe via a metal cable. The bursting head breaks up the pipe, displacing the pieces into the surrounding soil. At the same time, the cable also pulls a PVC pipe (behind the bursting head) that then becomes the new host pipe.

But there are many nuances involved in safe and efficient pipe bursting. Heinselman says he attended training classes held by manufacturers, then took “baby steps” out in the field.

“As you work, you learn,” he says. “You have to learn how to burst next to waterlines, for instance, or anticipate potential issues if you have to pull under a big tree. Experience also teaches you how to burst in sandy, hardpan or cobble soil.

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“The best way to get good employees is to train them yourself,” he continues. “They’re like a lump of clay that you can mold yourself. Sometimes more experienced workers are almost a detriment because they’re so certain that they know how to do things, but it’s not how we do things.”

Heinselman says the most important asset for pipe bursters is the ability to make good, smart decisions and be open-minded. “When you pipe burst, no two jobs are alike,” he notes. “So you want employees that are sensible and have good judgment.”

MORE SERVICES IN STORE

The company’s next big purchase was a Vac-Con V230 combination sewer vacuum truck. Prior to that, Heinselman had relied on a waterjetting trailer made by US Jetting. While that machine was a solid investment, it was too small to efficiently handle a large municipal contract that Express Sewer won to clean 50,000 feet of mainline sewers.

“That Vac-Con was our next big whoa, what-the-hell-are-we-doing purchase,” he recalls. “Lenders don’t want to give you a loan for a Ferrari when you’re self-employed, so I had to put 50 percent down to get a loan.

“But by looking at the local bid boards, we knew that sewer districts around here have to clean so many miles of pipe a year,” he continues. “So there was a ton of work out there. You can clean 8,000 to 10,000 feet of pipe a day if you have a crew that actually works hard, and that kind of productivity can provide a really good return on your investment.”

As work picked up, the company bought another Vac-Con truck, plus a pipeline inspection camera truck outfitted by CUES Inc. and a pipe lining system made by Perma-Liner Industries Inc.

Over the years, Express Sewer’s fleet of equipment continued to grow dramatically. Today it owns four TRIC Tools pipe bursting systems; three US Jetting trailer jetters; one Caterpillar backhoe; seven Caterpillar excavators; and three Vac-Con 309 combination sewer trucks equipped with hydroexcavating packages and featuring 9-cubic-yard debris tanks, 1,000-gallon water tanks, Vac-Con three-stage centrifugal fan compressors and water pumps by Giant Industries.

In addition, the company also relies on a Sidekick easement cart made by PipeHunter Inc. and used to carry vacuum-truck hose out to remote manhole locations for sewer cleaning; two CUES camera trucks; 26 RIDGID SeeSnake pipeline inspection camera systems; more than 40 Ford trucks, ranging from F-150 pickups to F-450s with contractor bodies; three dump trucks featuring Ford and Peterbilt chassis and dump bodies made by Godwin Manufacturing Co. Inc.; and one horizontal boring machine, made by Ditch Witch (a Charles Machine Works Co.) and used to bore water and gas lines. *(continued)*



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Will Blake, back, holds the line as John Rogers guides it in after the bursting head.

The company even owns an asphalt roller and a cold planer, both made by Caterpillar. This enables the company to tear up and repave streets on jobs that require traditional excavation techniques, as well as maintain better control of job schedules and quality. Express Sewer has also invested in lateral tap liners made by Cosmic Engineering GmbH and Interfit USA, and two lateral reinstatement systems.

FURTHER GROWTH EXPECTED

Heinselman believes it's possible for Express Sewer to generate \$20 million in gross revenue within the next two to three years. But in order to achieve that, the company must be able to find good employees, which is increasingly hard to do. Even though the company provides workers with modern, well-maintained equipment and offers benefits such as medical, dental and visions insurance, plus 401(k) plans with matching company contributions, too many prospective employees don't pass drug tests or background checks, he notes.

Furthermore, Heinselman wants to build a more structured company and streamline processes for things such as payroll, time sheets and project management. He also wants to develop a more formal management structure, which would allow him to delegate some of his responsibilities, which in turn would carve out more time for him to do other things — or even take some time off, he says.

"I'm just not sure how big I want to get without more structure," he explains. "Right now, we go through work so fast, and because all the municipal jobs go to the low bidder, I have to be sure we're keeping our pencils sharp and always bidding on new jobs.

"Right now I do all the bidding and a big portion of the project management, and I honestly can't do anything more than what I already do now," he continues. "So we're concentrating on hiring more project managers and have promoted a foreman to manage projects. I want my project managers to have the same philosophy that I have about the kind of customer service we provide. Eventually, I'd like this company to be like a machine that runs by itself." ▼



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John Rogers lowers equipment to Cody Pingree in the manhole as they set up for a pipe bursting job.

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