

Enmax interim CEO says time is wrong to remove board chairman

Mayor Nenshi calls for 'new blood' in confidential memo

BY JASON MARKUSOFF, CALGARY HERALD MARCH 25, 2011

Presented By:



Enmax interim chief executive Charles Ruigrok.

Photograph by: Lorraine Hjalte, Calgary Herald

It's the wrong time for Enmax to oust its chairman, interim CEO Charles Ruigrok said Thursday, countering the argument Mayor Naheed Nenshi has made in efforts to lobby his council colleagues.

More than two months before the city-owned utility's annual general meeting in late May, Nenshi sent aldermen a confidential memo saying he wants to replace three to five new Enmax board directors — including chairman Cliff Fryers.

Fryers has only helmed the board since last May's AGM, and has stoutly defended the company in the face of controversies over pay and other excesses that prompted chief executive Gary Holden's resignation.

"I'm quite content with the job Cliff is doing as chair. I hope he stays on," Ruigrok told reporters at an unrelated announcement Thursday.

"I think that continuity's helpful, particularly at a time when we're embarking on a major investment like the Shepard project," he added, referring to a \$1-billion natural gas power plant the firm has planned east of Calgary.

Sources confirmed Thursday that Nenshi's memo called for "new blood" on Enmax's 12-member board, to clearly tell the directors and Calgarians that the power company must change its ways.

Nenshi joins Ald. Diane Colley-Urquhart as council members who have openly advocated for major changes on the board, including its leader.

Some turnover isn't unusual on the Enmax board. Four directors stepped down at last year's AGM, including then-chairman Thompson MacDonald, paving the way for Fryers to helm the board.

However, the departures were voluntary, not forced or urged by city council, which acts as shareholder for the public utility.

Ruigrok, who assumed Holden's job last month while the firm seeks a permanent successor, said he wasn't aware of any current Enmax directors who planned to not stand for re-election at May's AGM.

Nenshi was not immediately available for comment.

Despite the disagreement with Nenshi over Fryers' fate, Ruigrok said he retains a strong relationship with the mayor.

"I think he talked about renewal on the board, and the board itself is a big fan of renewal on the board," he said.

The two met and spoke Wednesday, he said, but the interim CEO said he's not heard of any wishes for Fryers to leave Enmax.

Ald. Gord Lowe, an Enmax director himself, said most aldermen agree with him that leadership must evolve but not change radically.

"Stability at the top is very, very important, and I believe council acknowledges that," Lowe said.

Nenshi has shown an activist streak amid reports of Enmax brass' hefty pay and lavish perks, which first became public during his mayoral election streak.

But it's unclear that fellow aldermen are as reform-minded as he is when it comes to the firm that delivers healthy dividends to city coffers.

Before a meeting of council and Enmax directors last month, Nenshi had spoken about ordering a special strategic review of the whole company, and potentially other major changes. But no such review was announced after the lengthy conclave.

Nenshi had been set to appear Thursday morning with Ruigrok at an announcement that Bow Valley College's new building would hook into Enmax's downtown district energy plant.

But as news of Nenshi's board opinion leaked out, the mayor's staff rushed to find an alderman to go in his stead.

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