The Water Enterprise (PDAM) of the Palangka Raya City is categorized as an improper enterprise. In this thesis, strategies for improving the health of the Water Enterprise of Palangka Raya City based on the technical, institution, financial, and community participation aspects are presented.

Based on the results of analyses it can be identified that the causes of the problems, technically, are (i) the installed capacity of the water treatment plant and pumps has not been optimally utilized since there is an idle capacity of 75 L/sec, (ii) many house connections have not been installed even though the water supply system is available, (iii) there is high losses of water, i.e. 27%, (iv) the operation and maintenance of the pipes and treatment plant are bad, and (v) the raw water has low quality due to pollution from the upstream of the Kahayan River. Based on the evaluation on the institution aspect, the causes of the improperness of the enterprise include no professional and skilled employees are available and the weak performance of data management. Based on the financial aspect, operational cost is bigger than operational income. Based on the community participation aspect, the overburden of ground water made the Water Enterprise (PDAM) has less attractive to community. Therefore, the suggested strategies are as follows (i) improving the skills and professionalism of employees based on their own area of works in which their skills and professionalism will be used as their performance evaluation, i.e. reward and punishment. The skilled and professional employees must be placed at the right position in the enterprise. Moreover, the enterprise must recruit new skilled and professional employees based on the enterprise’s needs. (ii) Improving the serve area from 48% in 2008 to 70% in the end of 2015 by connecting 9,208 house connections. The enterprise must do (a) preparing a master plan of the enterprise under the Government of the Palangka Raya City’s budget, (b) identifying areas that have bad quality of groundwater as the target for marketing, (c) identifying the new consumers that live around the existing pipe networks, (d) establishing a collaboration with housing developers in providing clean water, and (e) establishing a collaboration with the BPPLHD for promoting and public socialization about the importance of the clean water supply and protecting the quality of environment. (iii) Decreasing the level of water losses from 27% in 2008 to 24% in 2015. This strategy can be done by (a) preparing maps of accurate pipe networks based on the existing conditions under the Government of the Palangka Raya City’s budget, (b) doing the zoning of pipe networks such that the identification of pipe leakage can be done easily, and (c) applying the incentive and disincentive programs for good and bad consumers. (iv) Identifying problems and their solutions of the bad quality of the raw water of the Kahayan River by (a) conducting a partnership with the Mining Government Agency for studying the potency of groundwater for dilution of the raw water and (b) moving the existing raw water intake to the upstream of the existing location.

Key words: health improvement strategies, technical, institution, financial, community participation, City of Palangka Raya