***ABSTRACT***

**”THE OPTIMIZATION AND EVALUATION THE ADDITION OF LOCAL GOVERNMENT EQUITY IN LOCAL WATER SUPPLY UTILITY LEMATANG ENIM AT MUARA ENIM REGENCY SOUTH SUMATERA PROVINCE”**

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This research is conducted to determine how the optimizationand evaluation the addition of local government equity in local water supply utility Lematang Enim at Muara Enim Regency South Sumatera Province. PDAM Lematang Enim is the kind of Regionally owned enterprises which give a clean water to the societies. To increase the service, local government give the addition equity formed as assets and money which regulated by Local Regulation of Muara Enim Regency to improve the quality of water service.

The purpose of this research is to determine how the optimization and evaluation the addition of local government equity in PDAM Lematang Enim in improving the quality of water service in Muara Enim Regency, The problems that faced by PDAM Lematang Enim through optimization the addition of local government equity, and the efforts to tackle the problems. This research is use descriptive method and inductive approach.

Based on the research that author do, the optimization and evaluation the addition of local government equity in PDAM Lematang Enim are functioning relativity optimal. But, based on evaluation result, that addition of local government equity hasn’t give the significant effect. These are reflected by sti