



MARK PESTRELLA, Director

**COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS**

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone (626) 458-5100
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE
REFER TO FILE

March 03, 2026

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**WATER RESOURCES CORE SERVICE AREA
LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 36, VAL VERDE
DETACHMENT 36-03
LOCAL AGENCY FORMATION COMMISSION DESIGNATION 2022-08
NEGOTIATED PROPERTY TAX EXCHANGE JOINT RESOLUTION
(SUPERVISORIAL DISTRICT 5)
(3-VOTES)**

SUBJECT

Public Works is seeking Board approval to adopt the Negotiated Property Tax Exchange Joint Resolution associated with detachment of territory from Los Angeles County Waterworks District No. 36, Val Verde.

IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE COUNTY OF LOS ANGELES, THE LOS ANGELES COUNTY LIBRARY, THE LOS ANGELES COUNTY ROAD DISTRICT NO. 5, THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY, THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, AND THE LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 36, VAL VERDE:

1. Find that adoption of the Negotiated Property Tax Exchange Joint Resolution for Detachment 36-03 and reapportionment of the resulting shares of the ad valorem property tax do not constitute a project under the California Environmental Quality Act pursuant to California Public Resources Code Section 21065 and California Environmental Quality Act Guidelines Sections 15378(b) and 15061 since the activities do not constitute a project and are administrative in nature or, in the alternative, find that the activities herein are statutorily exempt from the California Environmental Quality Act pursuant to California Public Resources Code Section 21080(b)(8) and California Environmental Quality Act Guidelines Section 15273 since they are for the purpose of meeting the operation,

maintenance, and capital project expenses of the Los Angeles County Waterworks District No. 36, Val Verde, for the reasons stated in this Board letter and in the record of the proposed activities.

2. Adopt the Negotiated Property Tax Exchange Joint Resolution approving and accepting the negotiated exchange of property tax revenue resulting from Detachment 36-03, Local Agency Formation Commission Designation 2022 08, on behalf of the County of Los Angeles.
3. Adopt the Negotiated Property Tax Exchange Joint Resolution approving and accepting the negotiated exchange of property tax revenue resulting from Detachment 36-03, Local Agency Formation Commission Designation 2022-08, on behalf of the Los Angeles County Library.
4. Adopt the Negotiated Property Tax Exchange Joint Resolution approving and accepting the negotiated exchange of property tax revenue resulting from Detachment 36-03, Local Agency Formation Commission Designation 2022-08, on behalf of the Los Angeles County Road District No. 5.
5. Adopt the Negotiated Property Tax Exchange Joint Resolution approving and accepting the negotiated exchange of property tax revenue resulting from Detachment 36-03, Local Agency Formation Commission Designation 2022 08, on behalf of the Consolidated Fire Protection District of Los Angeles County.
6. Adopt the Negotiated Property Tax Exchange Joint Resolution approving and accepting the negotiated exchange of property tax revenue resulting from Detachment 36-03, Local Agency Formation Commission Designation 2022-08, on behalf of the Los Angeles County Flood Control District.
7. Adopt the Negotiated Property Tax Exchange Joint Resolution approving and accepting the negotiated exchange of property tax revenue resulting from Detachment 36-03, Local Agency Formation Commission Designation 2022 08, on behalf of the Los Angeles County Waterworks District No. 36, Val Verde.
8. Authorize the Director of Public Works, the Director of the Los Angeles County Library, and the Chief of the Consolidated Fire Protection District of Los Angeles County, or their designees, to take all actions necessary, on behalf of the County of Los Angeles, the Los Angeles County Library, the Los Angeles County Road District No. 5, the Consolidated Fire Protection District of Los Angeles County, the Los Angeles County Flood Control District, and the Los Angeles County Waterworks District No. 36, Val Verde, to effectuate the Negotiated Property Tax Exchange Joint Resolution.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to adopt the enclosed Negotiated Property Tax Exchange Joint Resolution and find that the recommended actions are not a project under the California Environmental Quality Act (CEQA) or, in the alternative, find that they are exempt from CEQA, and to reapportion the ad valorem property tax that is shared by the affected local agencies as a result of pending Detachment 36-03 from the Los Angeles County Waterworks District No. 36, Val Verde (District). The detachment area (Exhibits A and B) is comprised of two vacant parcels, which include approximately 73 acres located east of the intersection of Valley Creek Road and Canyon Hill Road, in unincorporated Los Angeles County, within the community of Val Verde. This detachment will impact Tax Rate Area 17212.

Approval of the recommended actions is necessary to support an application for detachment from the District. Detachment from the District is advisable, as the area currently overlaps both the District and the Santa Clarita Valley Water Agency boundaries. It has been determined that the Santa Clarita Valley Water Agency could more efficiently and cost-effectively supply the domestic and fire suppression water to the area, based on its elevation and proximity to existing infrastructure. The application for detachment is anticipated to be considered by the Local Agency Formation Commission (LAFCO) for the County of Los Angeles at a future date.

Pursuant to Section 99 of the California Revenue and Taxation Code, in the case of any jurisdictional change that will result in an alteration of a local agency's service area or service responsibility, each local agency receiving property tax revenue from the area must negotiate an exchange of property tax revenue subject to the jurisdictional change and attributable to those local agencies.

The governing bodies of the respective local agencies in the affected areas have adopted the enclosed Joint Resolution based on the negotiated exchange of ad valorem property tax revenue related to the proposed detachment from the District.

In order for LAFCO to proceed with the required hearings on the proposed detachment, the Board, as the governing body of the County of Los Angeles and as the governing body of the County of Los Angeles Special Districts, acting on behalf of the Los Angeles County Library, Los Angeles County Road District No. 5, Consolidated Fire Protection District of Los Angeles County, Los Angeles County Flood Control District, and the District, must also adopt the enclosed Joint Resolution. The Joint Resolution will transfer a portion of the annual property tax increment attributable to the proposed detachment area to the County of Los Angeles and other local agencies from the District according to ratios listed in Exhibit C. Each of the affected agencies' share of the annual property tax increment will be adjusted accordingly.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: North Star 3, Realize Tomorrow's Government Today, Focus Area Goal G, Internal Controls and Processes, Strategy i, Maximize Revenue, by reallocating collected tax revenue to provide effective and efficient delivery of water to existing customers within the District's service area.

FISCAL IMPACT/FINANCING

The Joint Resolution for Detachment 36-03 will transfer a portion of the annual property tax increment from the District to the County General Fund and each of the affected local agencies, which include the County of Los Angeles, the Los Angeles County Library, the Los Angeles County Road District No. 5, the Consolidated Fire Protection District of Los Angeles County, the Los Angeles County Flood Control District, together with the Antelope Valley Resource Conservation District, and the Santa Clarita Valley Water Agency. The tax-sharing ratios listed in Exhibit C were calculated using a formula approved by the County Auditor-Controller. In this instance, revenues to the County General Fund from the ad valorem property tax on the affected properties would result in a Property Tax Increase of 0.33 percent for Tax Rate Area 17212.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Section 99 of the California Revenue and Taxation Code requires that prior to the effective date of any jurisdictional change, the governing bodies of all agencies whose service areas or service responsibilities will be altered by such change must negotiate a reallocation of property tax revenue

between the affected agencies and approve and accept such reallocation by resolution.

Adoption of the Joint Resolution by the Board will allow LAFCO to schedule the required public hearing to consider testimony on the proposed detachment. LAFCO will subsequently take action to approve, approve with changes, or disapprove the proposal. The Joint Resolution has also been approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

The recommended actions, including adoption of the Joint Resolution for Detachment 36 03 and reapportionment of the resulting shares of the ad valorem property tax, do not constitute approval of a project under Section 21065 of the California Public Resources Code and are excluded from the definition of a project pursuant to Sections 15378(b)(4) and 15378(b)(5) of the CEQA Guidelines since the activities involve the creation of a government funding mechanism or other government fiscal activity, which does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment and are organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment. In the alternative, approval of the recommended actions is statutorily exempt pursuant to Sections 21080(b)(8), 15273 (a)(1), and 15273(a)(4) of the CEQA Guidelines, which exempt the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies, which the public agency finds are for the purpose of meeting operating expenses, including employee wage rates and fringe benefits, and obtaining funds for capital projects necessary to maintain service within existing service areas. The standby charges and a portion of the property taxes were going toward the District's Accumulated Capital Outlay Fund, which is exclusively dedicated to funding capital improvement projects. Further, the activity is exempt under Section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that the proposed actions will not have a significant adverse impact on the environment.

Approval of the tax resolution does not approve or authorize any project under CEQA. Prior to proceeding with any activity that would constitute a project, appropriate findings under CEQA and approval of the proposed project activities would be necessary.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Exemption with the Registrar-Recorder/County Clerk in accordance with Section 21152 of the California Public Resources Code and also with the State Clearinghouse at the State Office of Planning and Research and will post the Notice to the County's website in accordance with Section 21092.2 of the California Public Resources Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This action will not have any negative impact on existing services or other planned projects.

CONCLUSION

Please return one adopted copy of this Board letter and signed Joint Resolution to Public Works, Waterworks Division.

Respectfully submitted,



MARK PESTRELLA, PE

Director

MP:CH:jc

Enclosures

c: Assessor
Auditor-Controller
Chief Executive Office (Christine Frias)
County Counsel
Executive Office, Board of Supervisors
Fire
LA County Library
Los Angeles County Road District No. 5
Los Angeles County Flood Control District
Local Agency Formation Commission
Antelope Valley Resource Conservation District
Santa Clarita Valley Water Agency

**JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF LOS ANGELES, ACTING ON BEHALF OF THE COUNTY AND OTHER
COUNTY ENTITIES, THE BOARD OF DIRECTORS OF THE ANTELOPE VALLEY
RESOURCE CONSERVATION DISTRICT, AND THE BOARD OF DIRECTORS OF
THE SANTA CLARITA VALLEY WATER AGENCY APPROVING AND ACCEPTING
THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES RESULTING
FROM DETACHMENT OF PROPERTY DESIGNATED AS DETACHMENT 36-03,
LOCAL AGENCY FORMATION COMMISSION DESIGNATION 2022-08,
FROM THE LOS ANGELES COUNTY WATERWORKS DISTRICT
NO. 36, VAL VERDE**

WHEREAS, pursuant to Section 99 of the Revenue and Taxation Code, in the case of any jurisdictional change that will result in an alteration of a local agency's service area or service responsibility, each local agency that receives an apportionment of property tax revenue from the area may negotiate an exchange of property tax revenue generated in the area subject to the jurisdictional change and attributable to those local agencies; and

WHEREAS, the Board of Supervisors of the County of Los Angeles, acting as the governing body of the County of Los Angeles, the Los Angeles County Waterworks District No. 36, Val Verde, the Los Angeles County Library, the Los Angeles County Road District No. 5, the Consolidated Fire Protection District of Los Angeles County, and the Los Angeles County Flood Control District, together with the Board of Directors of the Antelope Valley Resource Conservation District, and the Board of Directors of the Santa Clarita Valley Water Agency, have determined that the amount of property tax revenue to be exchanged between their respective agencies as a result of the detachment proposal identified as Detachment 36-03 from the Los Angeles County Waterworks District No. 36, Val Verde, is as set forth herein.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The County of Los Angeles, the Los Angeles County Waterworks District No. 36, Val Verde, the Los Angeles County Library, the Los Angeles County Road District No. 5, the Consolidated Fire Protection District of Los Angeles County, and the Los Angeles County Flood Control District, together with the Board of Directors of the Antelope Valley Resource Conservation District, and the Board of Directors of the Santa Clarita Valley Water Agency, have determined that the amount of property tax revenue to be exchanged between their respective agencies as a result of the detachment proposal identified as Detachment 36-03 is approved and accepted.
2. For fiscal years commencing on or after July 1, 2025, or the July 1 after the effective date of this jurisdictional change, whichever is later, the property tax

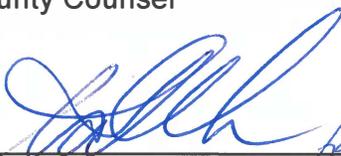
The foregoing resolution was adopted on the _____ day of _____, 2026, by the Board of Supervisors of the County of Los Angeles as the governing body of the County of Los Angeles and as the governing body of the Los Angeles County Library, the Los Angeles County Road District No. 5, the Consolidated Fire Protection District of Los Angeles County, the Los Angeles County Flood Control District, and the Los Angeles County Waterworks District No. 36, Val Verde.

EDWARD YEN
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By  for Grace Chang
Deputy

PASSED, APPROVED, AND ADOPTED this 8 day of July, 2025,
by the following vote:

AYES: Deagon, Mumy

NOES: 0

ABSENT: Ranken

ABSTAIN: 0



Chairperson, Board of Directors
Antelope Valley Resource
Conservation District

ATTEST:


Secretary

PASSED, APPROVED, AND ADOPTED this 15th day of July, 2025,
by the following vote:

AYES: Directors Armitage, K. Cooper, W. Cooper, Gutzeit, Martin, Masnada and Petersen

NOES: None.

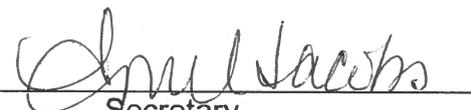
ABSENT: Director Marks and Orzechowski

ABSTAIN: None.



President, Board of Directors
Santa Clarita Valley
Water Agency

ATTEST:



Secretary



~~2023-01~~
2022-08
EXHIBIT "A"
DETACHMENT NO. ~~2023-01~~ FROM LOS ANGELES COUNTY
WATERWORKS DISTRICT NO. 36, VAL VERDE
GEOGRAPHIC DESCRIPTION

THAT PORTION OF SECTION 27, TOWNSHIP 5 NORTH, RANGE 17 WEST, OF SAN BERNARDINO MERIDIAN IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 27, AS SHOWN ON RECORD OF SURVEY AS FILED IN MAP BOOK 121, PAGE 93 OF RECORD OF SURVEY, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; SAID CORNER ALSO BEING A CORNER POINT ON THE BOUNDARY OF WATERWORKS DISTRICT NO. 36, VAL VERDE AS THE SAME EXISTED ON OCTOBER 10, 2012; THENCE,

- L1 N 89° 49' 15" W 2,615.94 FEET ALONG THE NORTH LINE OF SAID SECTION 27 TO THE NORTHWEST CORNER OF PARCEL 1 OF SAID RECORD OF SURVEY; THENCE,
- L2 S 01° 01' 16" E 993.99 FEET; THENCE,
- L3 S 89° 49' 15" E 1,308.83 FEET; THENCE,
- L4 S 01° 04' 16" W 662.30 FEET; THENCE,
- L5 S 89° 49' 15" E 1,309.41 FEET; THENCE,
- L6 N 01° 07' 15" W 1,656.34 FEET ALONG THE EAST LINE OF SAID SECTION 27; TO THE **POINT OF BEGINNING**.

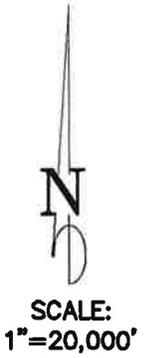
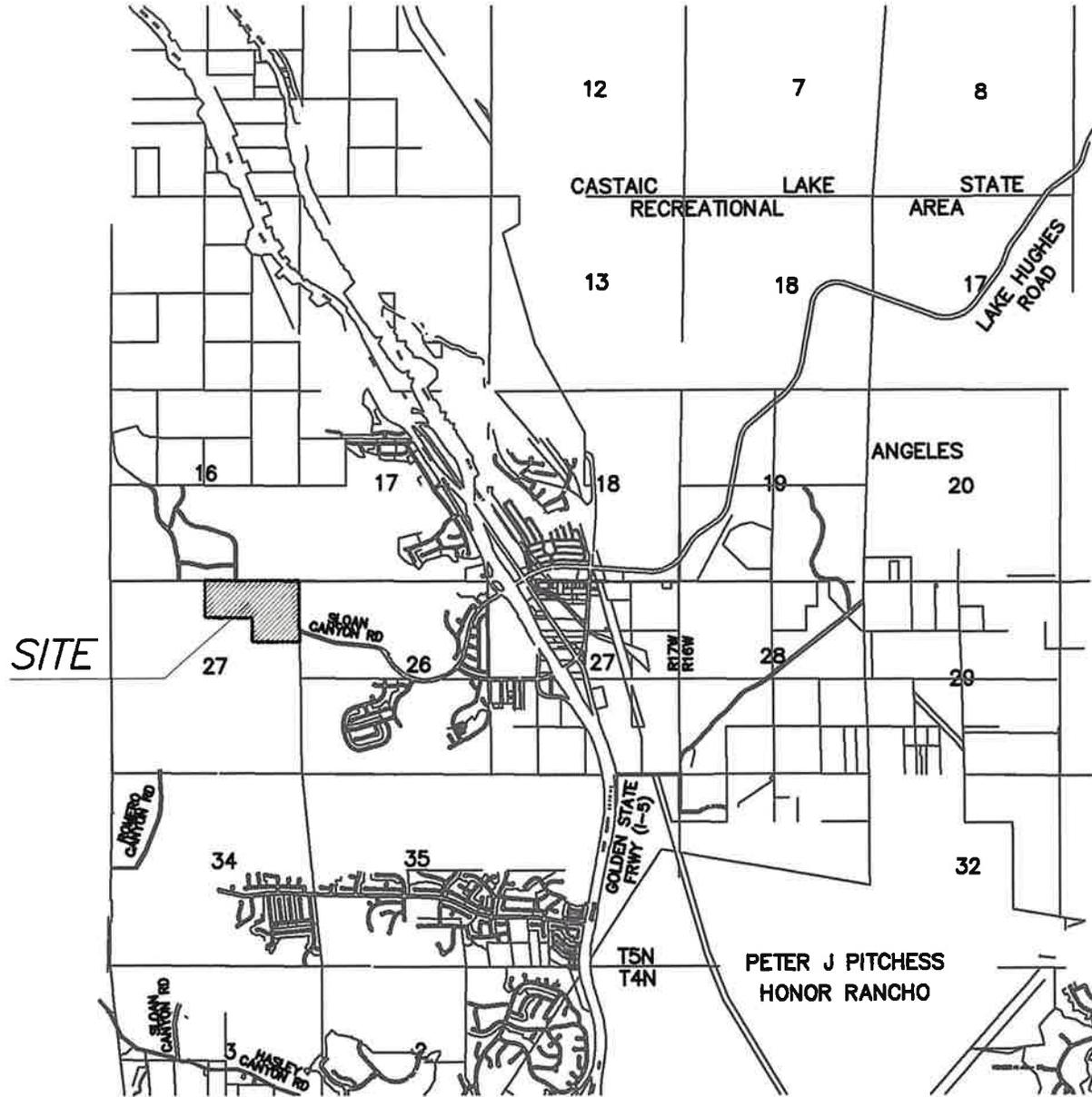
CONSISTING OF APPROXIMATELY 79.6 ACRES

Dennis Hunter

2/21/2023



VICINITY MAP

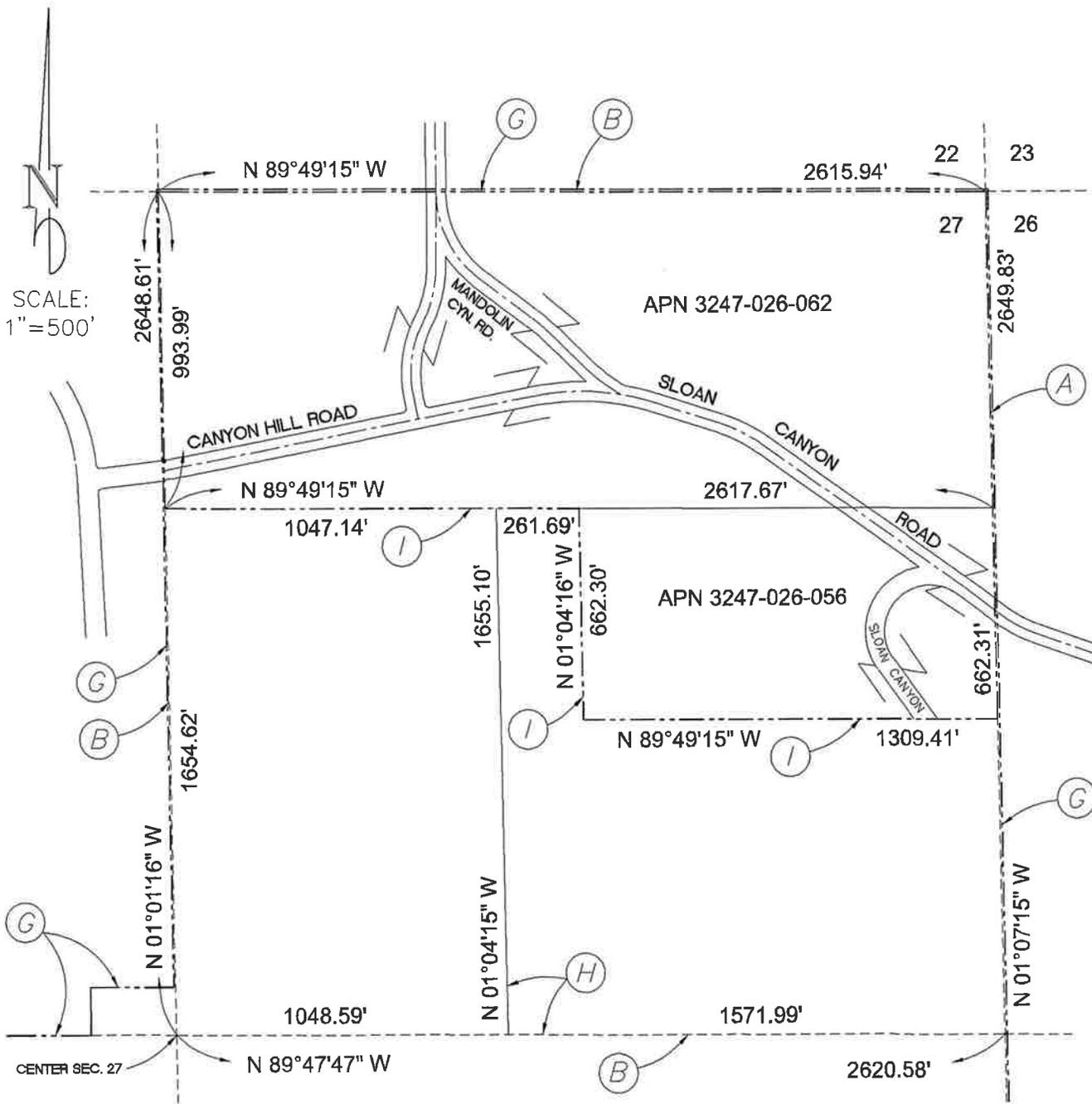


2226 BOOTH STREET
SIMI VALLEY, CA 93065
Tel: (805) 206-0932
dhunter@buckeyesurvey.com

Dennis Hunter 2/21/23
DENNIS HUNTER PLS 8539 DATE



EXHIBIT "B" 2022-09
DETACHMENT NO. 2023-01
FROM LOS ANGELES COUNTY WATERWORKS
DISTRICT NO. 36, VAL VERDE



SCALE:
1" = 500'

- (A) E'LY LINE SECTION 27, T5N R17W, SBM
- (B) N'LY LINE SECTION 27, T5N R17W, SBM
- (C) E'LY LINE OF RECORD OF SURVEY 121-93
- (D) N'LY LINE OF RECORD OF SURVEY 121-93
- (E) W'LY LINE OF RECORD OF SURVEY 121-93
- (F) S'LY LINE OF RECORD OF SURVEY 121-93
- (G) EXISTING BOUNDARY OF WATERWORKS NO. 36, VAL VERDE
- (H) BOUNDARY OF PARCEL MAP NO. 17713 PER PMB 239-58-61
- (I) BOUNDARY OF WATERWORKS DISTRICT NO. 36, VAL VERDE DETACHMENT 2023-01

2226 BOOTH STREET
SIMI VALLEY, CA 93065
Tel: (805) 206-0952
Fax: (805) 530-2685
dhunter@buckeyesurvey.com

Dennis Hunter 2/21/23

DENNIS HUNTER PLS 8539 DATE



EXHIBIT "B" 2022-08
DETACHMENT NO. 2023-01
FROM LOS ANGELES COUNTY WATERWORKS
DISTRICT NO. 36, VAL VERDE

ASSESSOR'S PARCEL NUMBERS

APN 3247-026-056

APN 3247-026-062

BUCKEYE SURVEYING & ENGINEERING

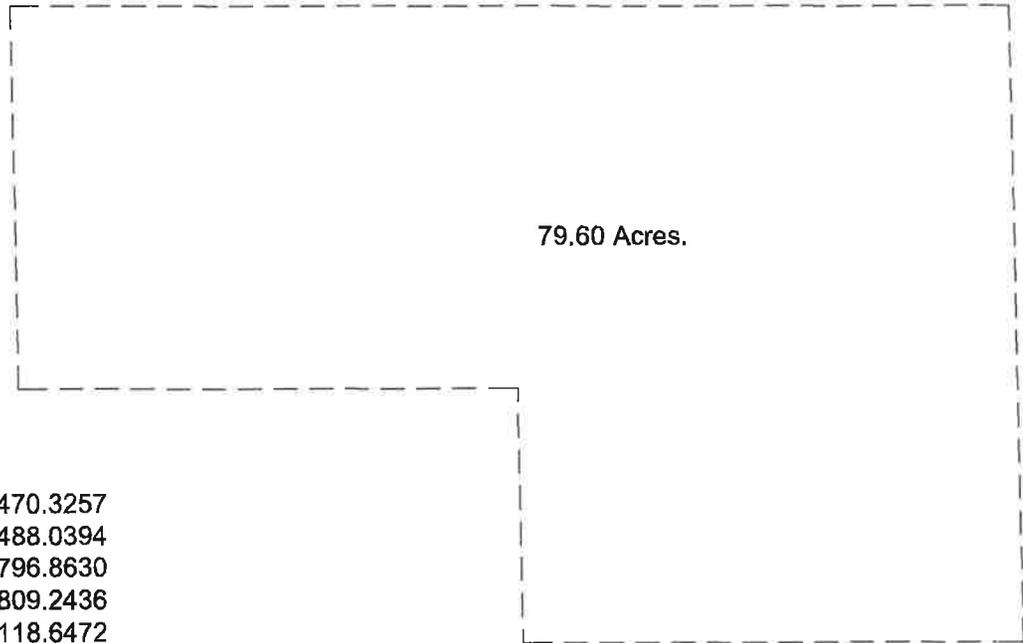
2226 BOOTH STREET
SIMI VALLEY, CA 93065
Tel: (805) 206-0952
Fax: (805) 530-2685
dhunter@buckeyesurvey.com

Dennis Hunter 2/21/27
DENNIS HUNTER PLS 8539 DATE



EXHIBIT "B" ²⁰²²⁻⁰⁸
DETACHMENT NO. ~~2023-01~~
FROM LOS ANGELES COUNTY WATERWORKS
DISTRICT NO. 36, VAL VERDE
SHEET 3 OF 4

Buckeye Surveying & Engineering
 Closure Report
 Date: 02/19/2023 at 5:28 PM
 Project: LAFCO WWD 36 DETACHMENT
 Description: LOT CLOSURES
 Created by: dhunt



Traverse of: Lot 1 - DETACHMENT

Bearing	Distance	Northing	Easting
Starting at	4279983.2546	4068086.2529	
N 89 49 15 W	2615.94'	to 4279991.4348	4065470.3257
S 01 01 16 E	993.99'	to 4278997.6026	4065488.0394
S 89 49 15 E	1308.83'	to 4278993.5099	4066796.8630
S 01 04 16 E	662.30'	to 4278331.3256	4066809.2436
S 89 49 15 E	1309.41'	to 4278327.2310	4068118.6472
N 01 07 15 W	1656.34'	to 4279983.2541	4068086.2475

Error of closure North = 0.00053084 East = 0.00535738
 Bearing N 84 20 29 E Distance = 0.0054
 Area = 3,467,336.12 SF 79.599 Acres
 Perimeter = 8,546.81' Precision = 1 : 1587560

BUCKEYE SURVEYING & ENGINEERING

2226 BOOTH STREET
 SIMI VALLEY, CA 93065
 Tel: (805) 206-0952
 Fax: (805) 530-2685
 dhunter@buckeyesurvey.com

Dennis Hunter 2/21/23

DENNIS HUNTER PLS 8539 DATE



EXHIBIT "B" ²⁰²²⁻⁰⁹
 DETACHMENT NO. ~~2023-01~~
 FROM LOS ANGELES COUNTY WATERWORKS
 DISTRICT NO. 36, VAL VERDE
 SHEET 4 OF 4

PROPERTY TAX TRANSFER RESOLUTION WORKSHEET

Detachment From: **L A CO WATER WKS NO 36 CAP OUT**
 Account No. **051.70**
 TRA: **17212**
 Effective Date: **07/01/2026**
 Annexation Number: **2022-08**

L A CO WATER WKS NO 36 CAP OUT		0.007731987	(7)				
Based on the Detached Agency's Ratio		(1)	(2)	(3) = (2) / Total	(4) = (3) * (7)	(5)	(6) = (1) + (5)
Acct No.	Taxing Agency	Current Tax Share	Receiving Agy	Percentage Share	Deleted Ratio Alloc	Allocation Adjustments	New Net Share
001.05	LOS ANGELES COUNTY GENERAL	0.228036057	0.228036057	42.6081%	0.003294458	0.003372052	0.231408109
001.20	L.A. COUNTY ACCUM CAP OUTLAY	0.000132171	0.000132171	0.0247%	0.000001909	0.000000000	0.000132171
003.01	L A COUNTY LIBRARY	0.027984885	0.027984885	5.2289%	0.000404299	0.000404299	0.028389184
005.25	ROAD DIST # 5	0.007285276	0.007285276	1.3612%	0.000105250	0.000105250	0.007390526
007.30	CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.185810671	0.185810671	34.7184%	0.002684419	0.002684419	0.188495090
007.31	L A C FIRE-FFW	0.005238842	0.005238842	0.9789%	0.000075685	0.000000000	0.005238842
030.10	L.A.CO.FL.CON.DR.IMP.DIST.MAINT.	0.002160417	0.002160417	0.4037%	0.000031211	0.000031211	0.002191628
030.70	LA CO FLOOD CONTROL MAINT	0.012226457	0.012226457	2.2845%	0.000176636	0.000176636	0.012403093
051.70	L A CO WATER WKS NO 36 CAP OUT	0.007731987				-0.007731987	0.000000000
068.05	ANTELOPE VY RESOURCE CONSER DIST	0.000000000	0.000000000	0.0000%	0.000000000	0.000000000	0.000000000
302.01	SANTA CLARITA VALLEY WATER-CLWA	0.066319379	0.066319379	12.3916%	0.000958120	0.000958120	0.067277499
400.00	EDUCATIONAL REV AUGMENTATION FD	0.051205152					0.051205152
400.01	EDUCATIONAL AUG FD IMPOUND	0.131877650					0.131877650
400.15	COUNTY SCHOOL SERVICES	0.001638656					0.001638656
400.21	CHILDREN'S INSTIL TUITION FUND	0.003252024					0.003252024
440.01	CASTAIC UNION SCHOOL DISTRICT	0.068486047					0.068486047
440.06	CO.SCH.SERV.FD.- CASTAIC UNION	0.013338863					0.013338863
440.07	DEV.CTR. HDCPD.MINOR-CASTAIC	0.001168975					0.001168975
757.02	HART WILLIAM S UNION HIGH	0.093539615					0.093539615
757.06	CO.SCH.SERV.FD.- HART,WILLIAM S.	0.000389771					0.000389771
757.07	HART,WILLIAM S.-ELEM SCHOOL FUND	0.049217677					0.049217677
814.04	SANTA CLARITA COMMUNITY COLLEGE	0.042959428					0.042959428
Total		1.000000000	0.535194155	100.0000%	0.007731987	0.000000000	1.000000000

- (1) Current share as reflected in the Auditor's ATI distribution in AF 49. Must total 1.000000000.
- (2) Receiving Agencies of the deleted ratio(s).
- (3) Must total 100%.
- (4) Must total share reflected in Column (7).
- (5) Reflects exemption for school entities and County general fund obligation for debt service and FFW.
- (6) Final share distributions to be reflected in tax transfer resolution.
- (7) Detached Agency's Ratio