

Covanta Energy Corporation
 40 Lane Road
 Fairfield, NJ 07004
 Tel 973 882 9000
 Fax 973 882 7234

BOARD OF SUPERVISORS

2007 MAY 11 A 10:41

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MAY 09 2007

TOM CHANGNON
 Superintendent of Schools

May 3, 2007

CORRESPONDENCE 1**Page 1 of 1**

Chairman, Stanislaus County
 Board of Supervisors
 1100 H Street
 Modesto, CA 95254

The Bank of New York
 Corporate Trust Department
 385 Rifle Camp Road, 3rd Floor
 West Paterson, NJ 07424
 Attn: Sharon Jaffe-Goser

Dear Sir/Madam:

Pursuant to Section 6.1(h)(iii) of the Sublease Agreement dated as of May 1, 1990, between Stanislaus Waste-to-Energy Financing Agency and Covanta Stanislaus, Inc., please find enclosed Form 10-K of Covanta Holding Corporation for the year ended December 31, 2006 and Form 10-Q for the 1st quarter ended March 31, 2007 .

Sincerely,



Joanne Pagliuca
 Assistant Treasurer

cc: Karen Henry
 Matt Korpela
 Mike Norris

 ATTACHMENTS AVAILABLE
 FROM YOUR CLERK
