

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person * <u>Sandlin Terrill</u> (Last) (First) (Middle) <u>C/O ENERGY RECOVERY, INC.</u> <u>1908 DOOLITTLE DR.</u> (Street) <u>SAN LEANDRO CA 94557</u> (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>07/01/2008</u>	3. Issuer Name and Ticker or Trading Symbol <u>Energy Recovery, Inc. [ERI]</u>		5. If Amendment, Date of Original Filed (Month/Day/Year)
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>VP of Manufacturing</u>		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
<u>Common Stock</u>	<u>120,000</u>	<u>D</u>	

Table II - Derivative Securities Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date				
<u>Employee Stock Option (Right to Buy)</u>	<u>(1)</u>	<u>12/14/2015</u>	<u>Common Stock</u>	<u>5,000</u>	<u>1</u>	<u>D</u>
<u>Employee Stock Option (Right to Buy)</u>	<u>(2)</u>	<u>12/08/2016</u>	<u>Common Stock</u>	<u>30,000</u>	<u>2.65</u>	<u>D</u>

Explanation of Responses:

- All shares vest 1/4th on the 1 year anniversary of the vesting commencement date of 12/15/05 and 1/36th monthly thereafter.
- All shares vest 1/4th on the 1 year anniversary of the vesting commencement date of 12/09/06 and 1/36th monthly thereafter.

Remarks:

The Date of Event is based upon the date of effectiveness of the Issuer's Registration Statement on Form S-1 filed in connection with the Issuer's initial public offering, estimated to be on or about July 1, 2008.

/s/ Thomas Willardson Attorney-
in-Fact for Terrill Sandlin 07/01/2008

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 5 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

POWER OF ATTORNEY

The undersigned, as a Section 16 reporting person of Energy Recovery, Inc. (the "Company"), hereby constitutes and appoints G.G. Pique and Thomas Willardson, and each of them, the undersigned's true and lawful attorney-in-fact to:

1. complete and execute Forms ID, 3, 4 and 5 and other forms and all amendments thereto as such attorney-in-fact shall in his or her discretion determine to be required or advisable pursuant to Section 16 of the Securities Exchange Act of 1934 (as amended) and the rules and regulations promulgated thereunder, or any successor laws and regulations, as a consequence of the undersigned's ownership, acquisition or disposition of securities of the Company; and
2. do all acts necessary in order to file such forms with the Securities and Exchange Commission, any securities exchange or national association, the Company and such other person or agency as the attorney-in-fact shall deem appropriate.

The undersigned hereby ratifies and confirms all that said attorneys-in-fact and agents shall do or cause to be done by virtue hereof. The undersigned acknowledges that the foregoing attorneys-in-fact, in serving in such capacity at the request of the undersigned, are not assuming, nor is the Company assuming, any of the undersigned's responsibilities to comply with Section 16 of the Securities Exchange Act of 1934 (as amended).

This Power of Attorney shall remain in full force and effect until the undersigned is no longer required to file Forms ID, 3, 4 and 5 with respect to the undersigned's holdings of and transactions in securities issued by the Company, unless earlier revoked by the undersigned in a signed writing delivered to the Company and the foregoing attorneys-in-fact.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 11th day of March, 2008.

/s/ Terrill Sandlin

(signature)

Terrill Sandlin
(print name)