

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

| OMB APPROVAL | |
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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

| | | |
|--|--|---|
| 1. Name and Address of Reporting Person * <u>Bensalah Nocair</u> (Last) (First) (Middle) <u>C/O ENERGY RECOVERY, INC.</u> <u>1717 DOOLITTLE DRIVE</u> (Street) <u>SAN LEANDRO CA 94577</u> (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>Energy Recovery, Inc. [ERII]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner Officer (give title below) Other (specify below) X <u>VP of Manufacturing</u> |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>02/01/2018</u> | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|-------------------------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 02/01/2018 | | F | | 3,388 ⁽¹⁾ | D | \$8.42 ⁽²⁾ | 32,338 | D | |
| Common Stock ⁽³⁾ | 02/01/2018 | | A | | 21,666 | A | \$7.5 | 54,004 | D | |
| Common Stock | 02/05/2018 | | F | | 1,672 ⁽⁴⁾ | D | \$7.7355 ⁽⁵⁾ | 52,332 | D | |

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

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|--|-----------------|---|----------------------------|--|--|---|--|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Employee Stock Option (Right to Buy) | \$7.5 | 02/01/2018 | | A | | 37,590 | | (6) | 02/01/2028 | Common Stock | 37,590 | \$0 | 37,590 | D | |

Explanation of Responses:

1. Payment of tax obligation by withholding securities incident to the vesting of securities in accordance with Rule 16b-3(e).
2. Represents the weighted average stock price of the shares withheld for each restricted stock unit award vesting.
3. This restricted stock unit award was granted February 1, 2018 and vests 25% on each of the first four anniversaries of the grant date.
4. Payment of tax obligation by selling securities incident to the vesting of securities in accordance with Rule 16b-3(e).
5. Represents the weighted average stock price of the shares sold to cover tax obligation for restricted stock unit award vesting.
6. This employee stock option was granted on February 1, 2018. 25% of the shares fully vest on the 1st anniversary of the vesting start date; thereafter, the remaining 75%, vest 1/36th per month.

Remarks:

Exhibit 24; Power of Attorney

/s/ Derek Ching, Attorney-in-Fact for Nocair Bensalah 02/05/2018

** 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 4 (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

As an officer and/or director of Energy Recovery, Inc. (the "Company"), the undersigned is subject to the reporting requirements of Section 16 of the Securities Exchange Act of 1934, as amended. By signing this document, the undersigned: (i) expressly revokes and leaves without effect any and all prior powers of attorney granted as an officer and/or a director of the Company for the purpose of

- (1) prepare and execute Forms ID, 3, 4, and 5 including amendments to these Forms, for and on behalf the undersigned, in the undersigned's capacity as an officer and/or director of the Company;
- (2) prepare and execute any other forms or amendments to such forms as he or she determines, in his or her discretion, that are required or advisable to be filed under Section 16, as amended, and
- (3) undertake all acts necessary in order to file and submit such forms to the U.S. Securities and Exchange Commission, any securities exchange or national association, the Company and such other

The undersigned hereby grants to each such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of 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 or to report holdings of, and transactions in, securities is

IN WITNESS WHEREOF, I have caused this Power of Attorney to be executed as of this 1st day of December, 2017.

/s/Nocair Bensalah

Nocair Bensalah