UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 12, 2011

Energy Recovery, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-34112	01-0616867
(Commission File Number)	(I.R.S. Employer Identification No.)

1717 Doolittle Dr. San Leandro, CA 94577
(Address if Principal Executive Offices)(Zip Code)

510-483-7370
(Registrant’s telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.05 Costs Associated with Exit or Disposal Activities.

On July 13, 2011, Energy Recovery, Inc. (the "Company" or "ERI") announced a plan to consolidate its North American operations and transfer its Michigan-based operations to its manufacturing center and headquarters in San Leandro, California. The planned consolidation is expected to reduce costs, improve efficiencies and enhance research and development activities.

The Company initiated the plan on July 12, 2011 and expects the consolidation to be complete by December 31, 2011. ERI anticipates that the consolidation will result in non-recurring expenses in the current year of approximately $4.7 million, which includes a loss on sale of $1.3 million, moving costs of $0.4 million, and employee severance and other estimated transition costs of approximately $1.8 million.

ERI expects the consolidation to result in annual recurring savings of approximately $3.0 million, resulting mainly from reductions in headcount and other overhead expenses.

A copy of the press release is attached as Exhibit 99.1 and is incorporated by reference in this report.

Item 2.06 Material Impairments.

On July 12, 2011, ERI initiated a plan to consolidate its North American operations. ERI is not able to determine at this date whether the consolidation will result in any impairment charges and will report impairment charges resulting from the consolidation, if any, by an amendment to this Item 2.06.

Item 9.01 Financial Statements and Exhibits

99.1 Press release dated July 13, 2011.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ENERGY RECOVERY, INC.
(Registrant)

Date: **07/18/2011**

/s/ Carolyn F. Bostick
Carolyn F. Bostick
(VP/General Counsel)

Exhbit 99.1

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Energy Recovery Inc Consolidates North American Operations

Company Streamlines Manufacturing Operations, Reducing Expenses and Improving Efficiency

San Leandro, Calif.—July 13, 2011—Energy Recovery Inc (NASDAQ: ERII), a leader in the design and development of energy recovery devices for desalination and other industrial processes, today announced the planned consolidation of its North American manufacturing operations. Under the plan, the company will move its operations in Michigan, where its pumps and turbocharges are currently assembled, and relocate those activities to its existing headquarters and production center in San Leandro, California. ERI expects the consolidation to significantly reduce costs, improve efficiencies, and enhance research and development efforts, positioning the company to experience increased profitability in subsequent years.

To implement this consolidation, the company expects to record non-recurring expenses in the current year of approximately $4.7 million—which includes a loss on sale of $1.3 million, moving costs of $0.4 million, and employee severance and other estimated transition costs of approximately $1.8 million. ERI anticipates that the consolidation will generate recurring cost savings in subsequent years on the order of $3.0 million, resulting mainly from reductions in headcount and other overhead expenses. ERI expects the impact of the consolidation on cash flow to be minimal.

Beyond cost savings, this initiative allows the company to streamline and accelerate its research and development plans and achieve enhanced focus on bringing new products to market. “While we regret the impact of the plan on our Michigan employees, consolidation is the right decision for our shareholders and customers,” said Thomas S. Rooney, chief executive officer of ERI. “This is a great opportunity for the company to streamline its manufacturing operations, reduce production costs, and improve its financial performance while simultaneously accelerating the launch of next-generation products in keeping with our corporate strategy to diversify into new strategic market segments of large addressable size.”

About Energy Recovery Inc
Energy Recovery Inc (NASDAQ:ERII) designs and develops energy recovery devices that significantly reduce energy consumption in desalination and other industrial processes. Energy Recovery's prominence in the desalination market includes notable technologies such as the PX Pressure Exchanger™ (PX™) devices, the ERI™ TurboCharger hydraulic turbine energy recovery devices and the ERI™ AquaBold™ and ERI™ AquaSpire™ high- pressure pumps. In total, Energy Recovery has more than 12,000 devices installed, reducing the carbon footprint of desalination by saving 1 GW of energy and offsetting CO_2 emissions by more than 5.2 million tons per year. The company is headquartered in the San Francisco Bay Area with offices in key centers worldwide, including Madrid, Shanghai, and the United Arab Emirates. For more information about Energy Recovery Inc, please visit www.energyrecovery.com.

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements include our expectation that the consolidation of our Michigan and California operations will reduce costs, improve efficiencies, enhance research and development efforts and help accelerate the Company's diversification into new markets. Because such forward-looking statements involve risks and uncertainties, the Company's actual results may differ materially from the predictions in those forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, unexpected costs or delays in the consolidation, our inability to maintain product quality and timely fulfill orders during the transition, higher outsourcing costs than expected, loss of key employees or the failure of the consolidation to yield expected cost reductions, economies of scale or expected synergies, and other risks detailed in the Company's filings with the Securities and Exchange Commission ("SEC"). All forward-looking statements are made as of today, and the Company assumes no obligation to update such statements. For more details relating to the risks and uncertainties that could cause actual results to differ materially from those anticipated in our forward-looking statements, please refer to the Company's SEC filings.

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