

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): June 22, 2016 (June 20, 2016)

Energy Recovery, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-34112
(Commission File Number)

01-0616867
(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)

Not applicable
(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:

- 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))
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Item 8.01 Other Events

Appointment of General Counsel

The Board of Directors of Energy Recovery, Inc. (the "Company") has approved the appointment of Mr. William Yeung as General Counsel of the Company effective June 20, 2016.

Mr. Yeung is an experienced attorney with over 16 years of experience advising public and private companies. Prior to joining the Company, Mr. Yeung served as the General Counsel and Secretary of SharesPost, Inc., a boutique financial services firm based in San Francisco. Mr. Yeung also served as the Associate General Counsel of Thomas Weisel Partners Group, Inc., and was the co-founder and General Counsel for Socialutions, Inc. In addition, Mr. Yeung was an attorney at Cleary, Gottlieb, Steen & Hamilton in New York and Morrison & Foerster in San Francisco. Mr. Yeung received his J.D. from New York University School of Law and his B.A. from Boston College.

As General Counsel, Mr. Yeung will receive an annual base salary of \$260,000, standard Company benefits, options to purchase \$250,000 of the Company shares, and will also be eligible for an annual bonus in an amount up to 45% of his annual salary based on his achievement of certain performance goals subject to the Company meeting its annual financial targets and other goals. For 2016, Mr. Yeung has been guaranteed a prorated bonus he would have earned at his previous employer to be paid in 2017. Mr. Yeung has been designated as a participant in the Company's Change of Control Plan, a copy of which is on file with the Securities and Exchange Commission. He will also be eligible for certain severance benefits if he is terminated without cause other than in connection with a Change in Control.

There are no family relationships between Mr. Yeung and any of the officers or directors of the Company. There are no related party transactions with Mr. Yeung that are reportable under Item 5.02 of Form 8-K and Item 404(a) of Regulation S-K.

Item 9.01 Financial Statements and Exhibits

Exhibits

99.1 Offer Letter to Mr. William Yeung

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: **June 22, 2016**

/s/ Chris Gannon
Chris Gannon
(Chief Financial Officer)

May 27, 2016



Mr. William Yeung
Via Email: yeungwillyeung@gmail.com

Re: Offer of Employment with Energy Recovery, Inc.

Dear William,

We are pleased to offer you a full-time position with Energy Recovery, Inc. ("ERI") as General Counsel reporting to Joel Gay, President and Chief Executive Officer, based in our headquarters in San Leandro, California. Your technical skills and work experience will provide a valuable addition to our staff.

Salary and Start Date. We would like your employment with ERI to start no later than June 20, 2016. You will receive an annual base salary of **\$260,000** less deductions authorized or required by law, which will be paid bi-weekly in accordance with our standard payroll practices.

Annual Incentive Plan. You will also be eligible to participate in the Company's Annual Incentive Plan, under which you will be eligible to receive up to **45%** of your base salary for achieving certain performance goals, subject to the Company's meeting its annual financial targets and other goals. For 2016 we will guarantee the prorated bonus you would have earned at your current employer. This amount will be paid in 2017 as part of our normal cycle (typically in March).

Long Term Incentive Plan. Subject to the approval and discretion of the Company's Board of Directors or its Compensation Committee, each year you may be granted an option to purchase shares of the Company's Common Stock under the Company's 2016 Equity Incentive Plan. The exercise price per share will be equal to the closing price on NASDAQ of a share of the Company's common stock on the day the Committee approves your grant, subject to the terms and conditions of the 2016 Equity Incentive Plan or such other Plan the Board and shareholders may approve.

Sign-on Stock Option Grant. As part of this offer and subject to the approval of the Company's Board of Directors or its Compensation Committee, you may be granted an option to purchase two hundred and fifty thousand dollars (\$250,000) of ERI Common Stock under the standard terms of the Company's Amended and Restated 2008 Equity Incentive Plan. The option will vest over four (4) years with twenty-five percent (25%) of the shares vesting on the first anniversary of the vesting commencement date, which will be the first day of your employment. After the first anniversary of the vesting commencement date, one thirty-sixth (1/36th) of the remaining shares will vest each month thereafter.

Change of Control Plan. Under this offer, you will also be named a Participant in the Company's Change in Control Plan ("CCP"), as amended. Per our plan all of your options would vest immediately in the event there is a change of control as that term is defined in the CCP.



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Benefits. As a full-time employee, you will be eligible to receive employee benefits including participation in the discretionary paid time off program, medical, dental and vision insurance for you and your dependents, as well as long-term disability and life insurance. You may elect to participate in these programs as of the first day of the month following your start date. Please note that the benefits program may change from time to time at the Company's discretion.

Termination. If you are terminated for any reason other than cause prior to the second anniversary of your start date, you will receive severance in the form of a lump sum payment, equal to six (6) months' salary. These additional benefits will be computed using your annual base salary as of the date of the termination, less deductions required or permitted by applicable law.

Employment Status. Although your status may change, your employment with the Company remains "at will", meaning that either you or the Company will be entitled to terminate your employment at any time and for any reason, with or without cause. Any contrary representations which may have been made to you are superseded by this offer letter. In addition, although your job duties, title, compensation, benefits, as well as the Company's personnel policies and procedures may change in the future, the "at will" nature of your employment may not be changed.

Please note that this offer is conditioned upon your ability to present employment eligibility and properly complete the Form I-9 by the third workday after your date of hire as required by the Immigration Reform & Control Act of 1986. A copy of the form will be provided to you. It is ERI policy to conduct a comprehensive background check. This offer is contingent upon positive results from the background checks and your successful completion of the Watson Glaser assessment.

Please accept this offer of employment below by signing your name and setting forth the agreed start date below. After signing the document, please return this letter to me by email or fax by May 31, 2016. If your acceptance is not received by this date, we shall assume that you have declined the offer and the offer shall be null and void. We are excited about the prospect of your leading our global sales team and look forward to working with you.

Very truly yours,

/s/ Andrew B. Stroud, Jr.

Andrew B. Stroud, Jr.
Vice President, Human Resources

Signed Acceptance: /s/ William Yeung

Start Date: 6/20/16

