

POLICANO ANDREW J
 Form 4
 December 26, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 POLICANO ANDREW J

(Last) (First) (Middle)

4545 W. BROWN DEER ROAD, P.O. BOX 245036

(Street)

MILWAUKEE, WI 53224-9536

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 BADGER METER INC [BMI]

3. Date of Earliest Transaction
 (Month/Day/Year)
 12/21/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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 Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock					15,600	D	

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

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SEC 1474 (9-02)

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

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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 Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares		
						Date Exercisable	Expiration Date	Title		
						Code	V	(A)	(D)	
Phantom Stock Units	\$ 0	12/21/2006		J	19,849 <u>(1)</u>	08/08/1988	08/08/1988	BMI Common Stock	19,849	
Stock Options	\$ 4.9688					02/14/1998	02/14/2007	BMI Common Stock	5,000	
Stock Options	\$ 4.9688					02/14/1998	02/14/2007	BMI Common Stock	2,000	
Stock Options	\$ 7					05/02/2004	05/02/2013	BMI Common Stock	6,400	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
POLICANO ANDREW J 4545 W. BROWN DEER ROAD P.O. BOX 245036 MILWAUKEE, WI 53224-9536	X			

Signatures

Richard A. Meeusen
attorney-in-fact

12/26/2006

**Signature of Reporting Person

Date

Explanation of Responses:

- * 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).

The phantom stock units were accrued in Mr. Policano's Badger Meter, Inc. Director Deferred Compensation Plan account as payment for (1) half of the \$1,000 meeting fee for the December 21, 2006 meeting of the Employee Benefit Plans Committee. The units were calculated at the closing price of the Company's stock on 9/30/06.

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

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