

Smith Walter A.  
Form 4  
December 19, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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 \*  
Smith Walter A.

2. Issuer Name and Ticker or Trading Symbol  
Mueller Water Products, Inc.  
[MWA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
1200 ABERNATHY ROAD  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
11/29/2006

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Sr. Vice President, Treasurer

ATLANTA, GA 30328

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

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

(City) (State) (Zip)

**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)
			Code	V	Amount (A) or (D)	Price	
Series A Common Stock <sup>(1)</sup>	12/15/2006		A <sup>(1)</sup>	0	<sup>(1)</sup>	A \$ 0	6,421 <sup>(2)</sup> D

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

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**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)	8. Price of Derivative Security (Instr. 5)
Stock Option (right to buy)	\$ 0 <u>(1)</u>	12/15/2006		A	<u>0</u> <u>(1)</u>	<u>(1)</u> <u>(1)</u>	Series A Common Stock	<u>0</u> <u>(1)</u> \$ 0

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Smith Walter A. 1200 ABERNATHY ROAD ATLANTA, GA 30328			Sr. Vice President, Treasurer	

## Signatures

MaryLiz A. Geffert, Attorney-In-Fact for Walter A. Smith      12/19/2006

\_\_\_\_\_  
\*\*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).
- (1) In connection with the Company's spin-off from Walter Industries, Inc. ("WLT"), the Compensation Committee of the Board of Directors of the Company (the Committee) approved a formula for the grant of restricted stock units (RSUs) and stock options to the Reporting Person and others on December 15, 2006, substantively replacing RSUs and stock options for WLT common stock held by the grantees prior to the spin-off on December 14, 2006. The RSUs and options will be granted under the Company's 2006 Stock Incentive Plan. The number of replacement RSUs, and the number and exercise prices of replacement stock options are based upon a formula designed to provide grantees with equity grants of comparable value based on the relative fair market values of Walter Industries common stock and of Mueller Water Products Series A common stock at the time of the spin-off, and have not yet been calculated. Such amounts will be provided in an amendment to this Form 4.
- (2) Reflects Reporting Person's holdings without giving effect to the grants reported hereby.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.