

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 2, 2016 (June 1, 2016)

Commission File Number 0-8084

Connecticut Water Service, Inc.

(Exact name of registrant as specified in its charter)

Connecticut
(State or other jurisdiction of
incorporation or organization)

06-0739839
(I.R.S. Employer Identification No.)

93 West Main Street, Clinton, CT
(Address of principal executive office)

06413
(Zip Code)

(860) 669-8636
(Registrant's telephone number, including area code)

Not Applicable
(Former name, address and former fiscal year, 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))
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Item 1.01 Entry into a Material Definitive Agreement

Entry into a New Term Loan Supplement

As previously reported on November 2, 2012, The Connecticut Water Company, a Connecticut corporation (“CWC”), the largest operating water utility subsidiary of Connecticut Water Service, Inc., a Connecticut corporation (“CWS”), and CoBank, ACB, a federally chartered instrumentality of the United States (“CoBank”), entered into a Master Loan Agreement dated October 29, 2012 (the “MLA”) pursuant to which CoBank originally agreed to make loans (each, a “Loan” and collectively, the “Loans”) to CWC from time to time, such Loans to be evidenced by the execution and delivery by each of CoBank and CWC of a Promissory Note and Supplement to the MLA.

CWC also delivered to CoBank four Promissory Notes and Single Advance Term Loan Supplements, each dated October 29, 2012. On March 5, 2013, CWC delivered an additional Promissory Note and Single Advance Term Loan Supplement to the MLA in which CoBank agreed to make an additional Loan to CWC in an aggregate principal amount of up to \$14,550,000, with a maturity date of March 4, 2033. These five notes are collectively referred to as the “Existing Notes”.

The Loans made under the Existing Notes are supported by a limited guarantee of payment by CWS in favor of CoBank pursuant to a Guarantee of Payment (Limited) by and between CoBank and CWS dated October 29, 2012, as amended on March 5, 2013 (the “CWS Guarantee”) secured by CoBank’s statutory first lien interest on all of CWS’s equity ownership interest in CoBank.

On June 1, 2016, CWC delivered to CoBank an additional Promissory Note and Single Advance Term Loan Supplement in which CoBank agreed to make an additional Loan to CWC in an aggregate principal amount of up to \$30,000,000, with a maturity date of May 20, 2036 (the “2016 Note”).

Under the Note, CWC will pay interest on the Loan represented by the 2016 Note at a fixed rate per annum of 4.36 percent (4.36%). Interest shall be calculated on the actual number of days each Loan is outstanding on the basis of a year consisting of 360 days.

Additionally, on June 1, 2016, CWC delivered to CoBank a second amendment to the CWS Guarantee that added the obligations of CWC under the 2016 Note to the obligations being guaranteed by CWS, subject to the aggregate limit of \$1,000,000 (the “Second Guarantee Amendment”).

CWC intends to use substantially all of the proceeds of the Loan represented by the 2016 Note to partially fund CWC’s ongoing construction program.

The above summary of the material terms of the 2016 Note and the Second Guarantee Amendment is qualified in its entirety by reference to the 2016 Note and the Second Guarantee Amendment, complete copies of which are attached hereto as Exhibit 10.1 and Exhibit 10.2, respectively, and are hereby incorporated by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 is incorporated herein by reference in response to this Item 2.03.

Item 9.01 Financial Statements and Exhibits

The following documents are filed herewith as exhibits hereto:

(d) Exhibits

10.1 Promissory Note and Single Advance Term Loan Supplement between The Connecticut Water Company and CoBank, ACB, dated June 1, 2016, is filed herewith.

10.2 Second Amendment to Guarantee of Payment (Limited) by Connecticut Water Service, Inc., dated June 1, 2016, is filed herewith.

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.

Connecticut Water Service, Inc.
(Registrant)

Date: June 2, 2016

By: /s/ David C. Benoit

David C. Benoit
Senior Vice President – Finance and
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Promissory Note and Single Advance Term Loan Supplement (Loan No. RI1087T05) between The Connecticut Water Company and CoBank, ACB, dated June 1, 2016, is filed herewith.
10.2	Second Amendment to Guarantee of Payment (Limited) by Connecticut Water Service, Inc., dated June 1, 2016, is filed herewith.

**PROMISSORY NOTE AND
SINGLE ADVANCE TERM LOAN SUPPLEMENT**

THIS PROMISSORY NOTE AND SUPPLEMENT (this “Promissory Note and Supplement”) to the Master Loan Agreement dated as of October 29, 2012 (the “MLA”) is entered into as of June 1, 2016, between **THE CONNECTICUT WATER COMPANY**, Clinton, Connecticut, a Connecticut corporation (the “Company”) and **CoBANK, ACB**, a federally chartered instrumentality of the United States (“CoBank”).

SECTION 1. The Term Loan . On the terms and conditions set forth in the MLA and this Promissory Note and Supplement, CoBank agrees to make a loan to the Company in an amount not to exceed \$30,000,000 (the “Commitment”). The Commitment shall expire at 12:00 noon (Company’s local time) on June 3, 2016, or on such later date as CoBank may, in its sole discretion, authorize in writing.

SECTION 2. Purpose . The purpose of the Commitment is to : (A) refinance short-term debt of the Company; (B) finance closing costs hereunder; and (C) finance capital expenditures relating to its water business .

SECTION 3. Availability . Notwithstanding Section 2 of the MLA and provided that each of the conditions precedent set forth herein and in the MLA have been satisfied, the loan will be made available to the Company on a date to be agreed upon by the parties (the “Closing Date”) upon written request of an authorized officer of the Company. The loan will be made available in a single advance by CoBank wire transferring the proceeds of the loan to CDA.

SECTION 4. Interest . The Company agrees to pay interest on the unpaid balance of the loan at 4.36% per annum. Interest shall be calculated on the actual number of days the loan is outstanding on the basis of a year consisting of 360 days. Interest shall be: (1) calculated quarterly in arrears on the last day of each February, May, August, and November and on the final maturity date of the loan; and (2) due and payable quarterly in arrears by the 20th day of each March, June, September, and December and on the final maturity date of the loan.

SECTION 5. Fees. INTENTIONALLY OMITTED.

SECTION 6. Promissory Note. The Company promises to repay the unpaid principal balance and any unpaid accrued interest of the loan on May 20, 2036, or such later date as CoBank may, in its sole discretion, authorize in writing. In addition to the above, the Company promises to pay interest on the unpaid principal balance of the loan at the times and in accordance with the provisions set forth above. If any installment due date is not a Business Day, then such installment shall be due and payable on the next Business Day and, in the case of principal, interest shall continue to accrue thereon until paid.

SECTION 7. Prepayment. Subject to the broken funding surcharge provision of the MLA (Section 12 (A)), the Company may prepay all or any portion of the loan. Unless otherwise agreed, all prepayments will be applied to such balances, fixed or variable, as CoBank shall specify.

SECTION 8. Security . Notwithstanding the provisions of the MLA, including, without limitation, Section 4(A) and (B) of the MLA, the Company's obligations hereunder shall be unsecured, except that this Promissory Note and Supplement shall be guaranteed in accordance with Section 4(B) of the MLA and any related guaranty agreement.

SECTION 9. Additional Conditions Precedent . In addition to the conditions precedent set forth in the MLA, CoBank's obligation to make the loan is subject to the conditions precedent that CoBank and Connecticut Water Service, Inc. shall have entered into an Amendment to the guaranty agreement in form and content acceptable to CoBank.

SECTION 10. Additional Affirmative Covenants. In addition to the affirmative covenants set forth in the MLA, the Company agrees that while this Promissory Note and Supplement is in effect and unless CoBank otherwise consents in writing, the Company will immediately, secure the Company's obligations hereunder and, to the extent related hereto, the MLA as specifically provided in the Security, Guarantee(s) and Title Insurance Section (Section 4) of the MLA, in the event that the Company secures any of its obligations with another lender, bond holder or bond issuer, excluding liens granted in connection with purchase money indebtedness.

SECTION 11. Counterparts and Electronic Delivery. This Promissory Note and Supplement may be executed in counterparts (and by different parties in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single agreement. In addition, this Promissory Note and Supplement may be delivered by electronic means.

(Signatures on Next Page(s))

IN WITNESS WHEREOF , the parties have caused this Promissory Note and Supplement to the MLA to be executed by their duly authorized officers as of the date shown above.

CoBANK, ACB

THE CONNECTICUT WATER COMPANY

By: /s/ Shannon Smith By: /s/ David C. Benoit

Name: Shannon Smith Name: David C. Benoit

Title: Assistant Corporate Secretary Title: Senior Vice President – Finance and CFO

**SECOND AMENDMENT TO
GUARANTEE OF PAYMENT
(LIMITED)**

THIS SECOND AMENDMENT TO GUARANTEE OF PAYMENT (this “Amendment”) is entered into as of June 1, 2016, by and between **CONNECTICUT WATER SERVICE, INC.** , a Connecticut corporation (hereinafter referred to as the “Guarantor”), and **CoBANK, ACB** , a federally chartered instrumentality of the United States (hereinafter referred to as “CoBank”).

BACKGROUND

A. The Guarantor has executed and delivered to CoBank that certain Guarantee of Payment (Limited) dated as of October 29, 2012, as amended by the Amendment to Guarantee of Payment (Limited) dated as of March 5, 2013 (collectively, the “Existing Guarantee”) pursuant to which the Guarantor has guaranteed, among other things, payment of certain obligations of its wholly-owned subsidiary, The Connecticut Water Company (the “Company”), to CoBank as more particularly described in the Existing Guarantee as the “Guaranteed Obligations.”

B. The obligations under the Existing Guarantee are set forth in that certain Master Loan Agreement No. RI1087 dated as of October 29, 2012 (the “Master Loan Agreement”), as supplemented by that certain Promissory Note and Single Advance Term Loan Supplement No. RI1087T01 in a principal amount not to exceed \$8,000,000.00 and dated as of even date with the Master Loan Agreement, and by that certain Promissory Note and Single Advance Term Loan Supplement No. RI1087T02 in a principal amount not to exceed \$14,795,000.00 and dated as of even date with the Master Loan Agreement, and by that certain Promissory Note and Single Advance Term Loan Supplement No. RI1087T03 in a principal amount not to exceed \$17,045,000.00 and dated as of even date with the Master Loan Agreement, and by that certain Promissory Note and Single Advance Term Loan Supplement No. RI1087T04 in a principal amount not to exceed \$14,805,000.00 and dated as of even date with the Master Loan Agreement, and by that certain Promissory Note and Single Advance Term Loan Supplement No. RI1087T05 in a principal amount not to exceed \$14,550,000.00 and dated as of March 5, 2013. The Master Loan Agreement, as supplemented, is referred to in the Existing Guaranty as the (“Loan Agreement”).

C. The Company has requested an increase to the Loan Agreement and CoBank is willing to extend the additional credit to the Company provided that the Guarantor agrees to guarantee this additional loan.

D. In satisfaction of the condition and intending to benefit by the extension of additional credit by CoBank to the Company, the Guarantor is entering into this Amendment.

NOW, THEREFORE, in order to induce CoBank to extend additional credit to the Company and for good and valuable other consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor and CoBank agree to amend the Existing Guarantee as follows:

1. The Loan Agreement as defined in the Existing Guarantee is hereby amended to include that certain Promissory Note and Single Advance Term Loan Supplement No. RX10871T06 in a principal amount not to exceed \$30,000,000 and dated as of June 1, 2016.
2. All references in the Existing Guarantee to the Guaranteed Obligation shall include all obligations under the Loan Agreement; as such term has been amended by this Amendment.
3. To the extent not inconsistent herewith, all other terms and conditions of the Existing Guarantee shall remain in full force and effect and the Guarantor hereby ratifies and confirms its guarantee of the Guaranteed Obligations of the Company, as amended by this Amendment.
4. This Amendment may be executed may be executed in counterparts (and by different parties in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single agreement. In addition, this Amendment may be delivered by electronic means.

(Signatures on next page(s))

IN WITNESS WHEREOF , the Guarantor has caused this Amendment to be executed as of the date show above by its duly authorized officers.

CONNECTICUT WATER SERVICE, INC.

By: /s/ David C. Benoit

Name: David C. Benoit

Title: Senior Vice President – Finance and CFO

COBANK, ACB

By: /s/ Shannon Smith

Name: Shannon Smith

Title: Assistant Corporate Secretary