



Written by [Rebecca Terrell](#) on June 16, 2026

Is Water Becoming the Next Financial Asset Class?

For centuries, wars, diplomacy, and economic development have been shaped by access to land, minerals, energy, and water. Today, a new development is emerging that could fundamentally change how societies think about natural resources: the financialization and tokenization of natural resources.

[Asset tokenization](#) refers to the process of converting ownership rights in physical assets into digital tokens that can be traded on blockchain-based platforms. Multiple firms now specialize in tokenizing natural resources and commodity-linked assets. Some platforms explicitly advertise the tokenization of energy, commodities, and natural resources to create tradable digital financial instruments. Others are developing systems for tokenized water rights, water allocations, and water-transfer markets.



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At the same time, water itself is becoming more visible as an economic asset. In 2019, Nasdaq launched the Nasdaq Veles California Water Index ([NQH2O](#)), designed to track water prices in California's water markets. The index was created to support price discovery and facilitate financial instruments tied to water markets. Water futures based on the index later began trading through the Chicago Mercantile Exchange.

Supporters argue that such markets help farmers, municipalities, and businesses hedge against water shortages and price volatility. Critics, however, worry that turning water into a financial asset could encourage speculation and place essential resources under greater control of investors rather than local communities.

Those concerns have become significant enough that some lawmakers have sought restrictions on water-rights speculation. They argue that water should be treated as a public necessity rather than as a commodity subject to financial trading.

Role of AI Data Centers & Wastewater

Meanwhile, another major trend is unfolding: the explosive growth of artificial intelligence infrastructure and hyperscale data centers. Many of these facilities require substantial electricity and cooling systems, creating new demand for water resources in some regions. (Ironically, the same blockchain economic system that seeks to tokenize things such as water is dependent on these hyperscale data centers, which is placing demands on that very resource.) Technology companies are increasingly experimenting with recycled water, closed-loop cooling systems, and alternative cooling technologies, but debates continue over how much water future AI infrastructure will require.



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Wastewater is also being reimagined. Traditionally viewed as a disposal problem, wastewater is increasingly regarded as a valuable resource that can yield reclaimed water, fertilizer, methane, and industrial feedstocks. Modern treatment systems can recover usable water and other economically valuable outputs from waste streams.

Taken together, these developments raise important questions. If water rights become increasingly tradable, if wastewater becomes a source of recoverable assets, and if blockchain technology enables fractional ownership of natural resources, then future water systems may look very different from those of the past.

But there are questions. First, if newly expanded treatment plants are drawing water away from local communities and not returning it to the location of origin, will this not be a method that drains aquifers under surrounding U.S. cities? Second, if this water is siphoned off, might it not be extracted from surrounding municipalities (which will be told that it's worthless waste, anyway), while it might be tokenized and either used for data centers or sold on the commodities markets? Lastly, will other big AI moguls begin partnerships with wastewater treatment plants (upon the pretext that beefing up their facilities is related to population growth) while using it to deplete water tables and gain control of local water supplies?

Big Tech Becoming Stakeholders

In Central Texas, [Elon Musk](#), a huge proponent of the new AI infrastructure, owns expanding business operations that have become intertwined with regional wastewater infrastructure planning. Local officials in the city of Bastrop, for instance, pursued agreements to connect facilities from Musk's SpaceX and The Boring Company to Bastrop's growing municipal wastewater system, including a newly expanded treatment plant designed to accommodate what it claims to be the area's rapid population growth.

[Microsoft](#), for one, has pledged to help finance wastewater-treatment expansion associated with its data-center development in Arizona (agreeing to contribute approximately \$36 million toward expansion of the city's 157th Avenue Wastewater Treatment Plant), while Google has committed hundreds of millions of dollars toward water, wastewater, and water-reuse initiatives in communities where it operates data centers. [Amazon](#) has likewise partnered with [utilities and water-management firms](#) to develop systems that convert treated wastewater into cooling water for its facilities, reducing reliance on freshwater sources. [Meta](#) has generally focused on securing long-term water supplies for its data centers, though some of its projects have prompted public debate about local water resources.

This amounts to a growing trend in which large technology companies are becoming stakeholders in municipal water and wastewater infrastructure as AI-driven demand for computing power continues to rise. We can be sure they have financial incentives to do so.

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