About this Report

U.S. and Canada Digital Water Landscape: Trends and Growth Forecasts, 2026–2036

Report at-a-glance

- Drivers and Trends
- Methodology
- Forecast Breakdown
- Growth Opportunities by Utility Size, by Spend Type, by Water Type, by Segment and Product Type

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Summary

BACKGROUND

The U.S. and Canada are set to lead digital water adoption globally over the next decade, shaped by a fragmented landscape of utilities, regulatory shifts, and emerging technology. As such, Bluefield Research anticipates strong demand for digital water solutions in the U.S. and Canada, underpinning a cumulative US$230 billion in spend from 2026 to 2036.

Growth is fueled by the compounding pressures of aging assets, workforce challenges, climate change, and the evolving regulatory environment. As utilities grapple with these challenges, further complicated by increasing financial strain, digital tools provide utilities with the data and analysis to improve their operational efficiency.

Utilities are increasing their adoption of leakage management solutions to comply with impending policy and strengthen their water supply, as well as wastewater monitoring to combat the impacts of climate change on collection and storm networks.

Faced with a growing set of operational and financial pressures, utilities are accelerating expenditures in digital solutions to prioritize long-term resilience.

report SCOPE

This report offers a comprehensive analysis of the digital water opportunity in the U.S. and Canada, including hardware, software, services, and connectivity. Bluefield's bottom-up approach provides a detailed view of the current landscape, potential for future growth, and insights into major drivers and trends.

report HIGHLIGHTS

- Policy, demographic, and climate drivers shaping the digital water landscape in the U.S. and Canada
- Overview of market sizing methodology and structure
- Growth forecasts for 36 different product segments from 2026–2036

Bluefield Insights

U.S. and Canada's digital water expenditures are **set to double over the next decade** as utilities invest in technology for a resilient future.

Bluefield Research forecasts total expenditures on digital solutions to grow from US$14.4 billion in 2026 to US$28.6 billion in 2036. This growth is driven by a 7.1% Compound Annual Growth Rate (CAGR), emphasizing the importance of digital solutions for operational and financial efficiency.

- **Utilities face mounting pressures to maintain operations.** As systems age and exceed their useful life, utilities face growing maintenance backlogs with increasingly limited budgets. Climate change further complicates this issue, leading to significant issues with water security in some parts of the country, and excessive flooding in others. Utilities across the U.S. and Canada are investing in network-wide monitoring programs to bolster their resiliency against current operational challenges.

- **Federal policy and funding have remained steady in recent years, with emerging state-level policy driving opportunity.** Lead service lines and PFAS remain top priorities for compliance, while mandatory cybersecurity policy lags at a federal level. Regionally, California has an upcoming water loss standard for utilities to meet by 2028. New York recently passed cybersecurity regulation, requiring training and security protocols for all utilities. These states are setting precedents on key issues and act as a benchmark for others to follow.

- **Network and plant management and metering and customer management solutions are core to utility strategy.** Together, the two solution segments account for three quarters of the total digital water expenditures in the U.S. and Canada. Investment in SCADA and metering hardware drive most spending and catalyze further investments in digital solutions.

- **Strong growth trajectory comes from network-based solutions across water and wastewater.** Utilities are leveraging leak detection solutions as droughts threaten water supply and population growth increases demand. In wastewater, advanced monitoring solutions are supporting optimized investments into aging infrastructure and climate-change-exposed assets.

Research Methodology

KEY ASSUMPTIONS & METHODOLOGY

- Bluefield Research utilizes a bottom-up approach to sizing the digital water landscape—informed by utility asset bases and calibrated with adoption and growth rates across different-sized utilities.
- Key asset inputs include pipe length, treatment plants, remote assets, and connected properties within water and wastewater networks.
- Baseline penetration and adoption rates are determined for each utility size as defined by Bluefield Research. Growth rates in each segment are informed through policy, utility announcements, and industry interviews.
- Forecast value calculations are based on average pricing for different solution segments, including up-front costs, annual support, and Software-as-a-Service (SaaS) fees.
- The digital water landscape is divided into 36 distinct solution categories across four product categories: network and plant management, metering and customer management, work and asset management, and information management.
- The forecast is further detailed by state, water type, spend type, and product type.

DATA SOURCES

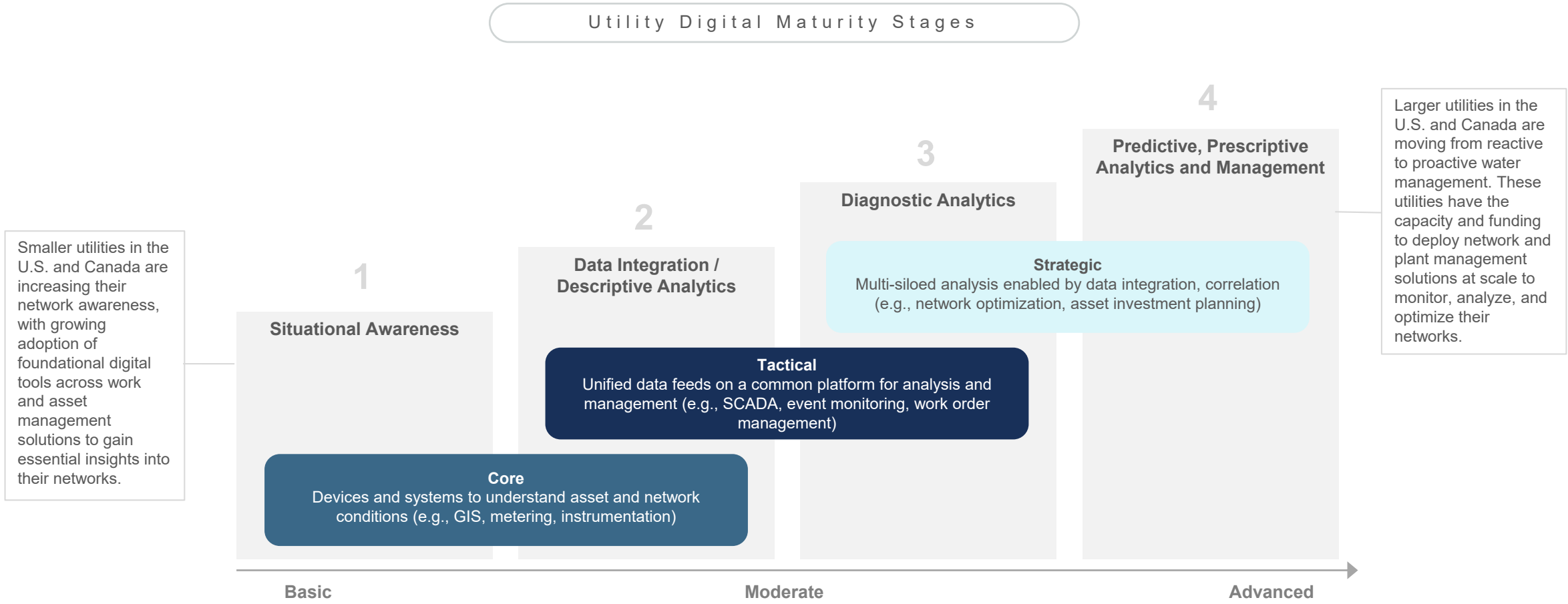
- Government reports on utility counts and asset bases.
- Publicly available utility budget and procurement documents, such as capital improvement plans, bid documents, and contracts.
- Interviews with industry professionals.
- Bluefield's Data Navigator (e.g., utility asset data, federal funding, company revenues, digital water M&A and VC deals, digital water vendor landscape).

Key Questions Addressed

- What are the top challenges facing utility operators today and how does this influence the digital landscape?
- How do different sized utilities differ in digital maturity?
- Which states and provinces have the highest level of investments in digital technology?
- How are regional policies driving new investments into digital solutions?
- Which digital solutions are utilities investing in to manage non-revenue water loss?
- How are smart sewer solutions redefining the wastewater landscape?

Assessing Utilities' Position Along the Digital Maturity Curve

Digital maturity influences technology investment priorities, ranging from basic data capture to advanced analytics. In North America, larger utilities are achieving advanced stages of digital maturity, while smaller utilities are focusing on foundational investments.



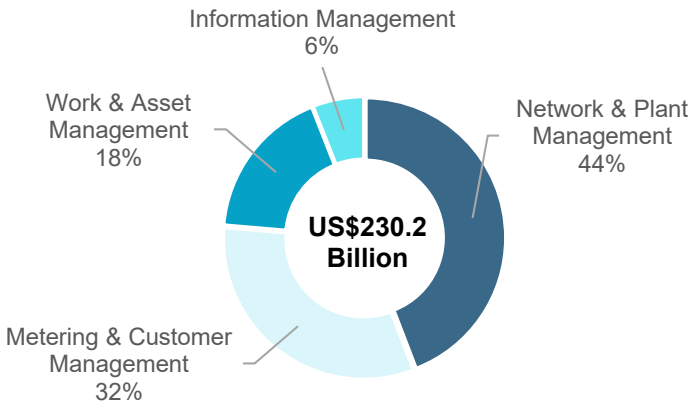
Source: Bluefield Research

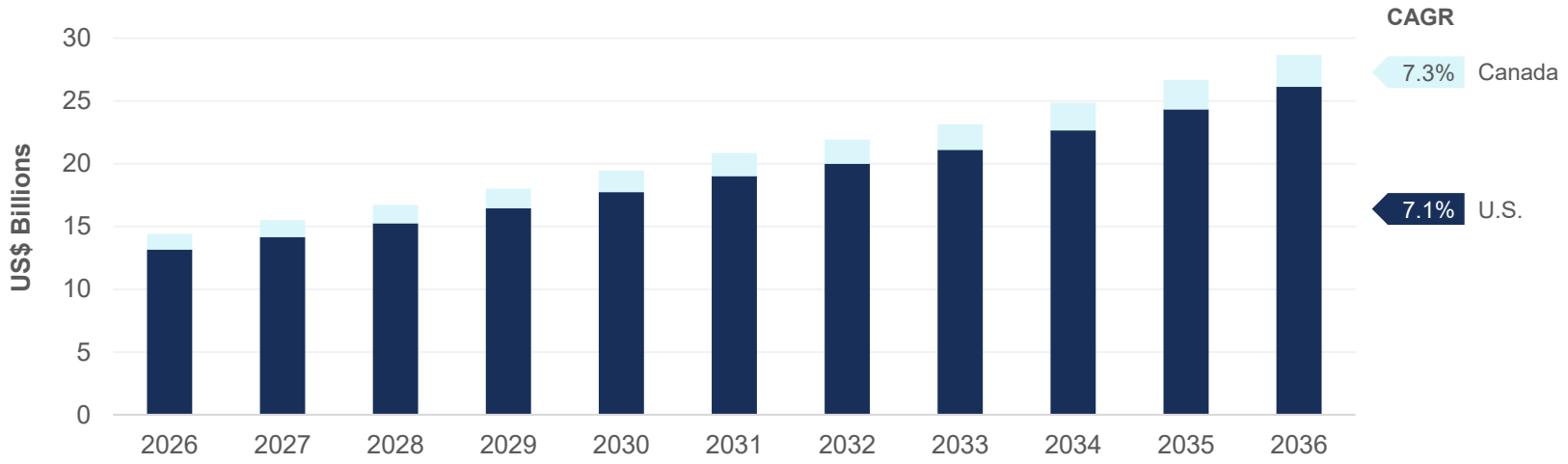
U.S. and Canada Digital Water Landscape Opportunity

Digital water spend in the U.S. and Canada is growing robustly, with an overall CAGR of 7.0%. This growth is driven by the increasing importance of network monitoring across water and wastewater as well as the replacement cycles of existing digital solutions.

- The U.S. and Canada digital water landscape is poised to nearly double by 2036. The U.S. is forecasted to reach US$26.1 billion, growing at a CAGR of 7.1%. Meanwhile, Canada is expected to grow from US$1.3 billion to US$2.5 billion, with a CAGR of 7.3%. This growth has moderated from the previous forecast of an 8.4% CAGR, reflecting a maturing demand environment rather than a slowdown in underlying investments.
- The updated forecast represents a 3.0% increase from the prior version. This revision accounts for expanded asset counts, the inclusion of U.S. territories like Puerto Rico, new state legislation, and utility trend data that has influenced growth assumptions in areas such as cybersecurity, SCADA, and metering.
- Replacement cycles have become the dominant spending dynamic, with 37.3% of total spend directed at upgrading existing systems. This trend is particularly pronounced in legacy-heavy segments such as SCADA and metering, where the installed base is both extensive and aging.
- Network and plant management accounts for the largest share of spend at 44.2%. Conversely, information management is the smallest product category at 6.0% but posts the highest growth rate at 10.8%, as utilities prioritize technologies that enable them to derive value from data and enhance cybersecurity measures.

U.S. and Canada Digital Water Forecast, 2026–2036





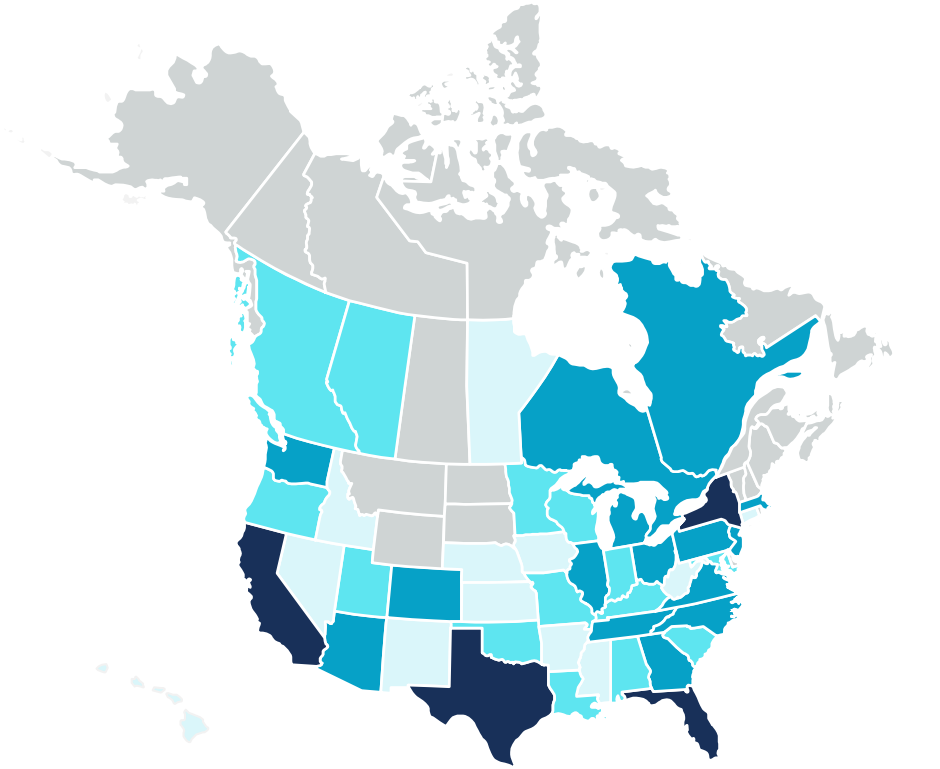
Source: Bluefield Research

Growth Opportunities by State and Province

States with large populations and large utilities are leading digital adoption in both the U.S. and Canada. The southern and midwestern regions of the U.S., along with provinces in Western Canada, present significant growth opportunities, particularly among medium and smaller utilities.

- California and Texas are the leading states in digital water spend in the U.S., with annual expenditures exceeding US$1 billion. In California, the digital water landscape is primarily dominated by Tier 1 utilities, which serve populations of over one million and account for more than 40% of the state's population. In contrast, Texas has a more fragmented digital water landscape, with spend distributed among smaller utilities serving fewer than 100,000 people.
- In Canada, Ontario and Quebec are at the forefront of digital water spend, rooted by large urban populations in Toronto and Montreal, which represent nearly 30% of their respective populations.
- There are significant growth opportunities in the Southeastern and Midwestern U.S., as well as in the Canadian provinces of British Columbia and Alberta, where smaller and medium-sized utilities are enhancing their digital capabilities.
- In the U.S., cities such as Atlanta, Georgia, and Cincinnati, Ohio, are leading the way in investing in digital water solutions across their networks, setting the benchmark for these regions. Cincinnati, for instance, invests over US$2.7 million annually in flow monitoring, while Atlanta is deploying more than 1,000 sensors for leak detection.
- The city of Vancouver in British Columbia is taking significant strides in wastewater by doubling the number of sewer inspections conducted each year to manage its aging infrastructure better.

Digital Water Forecast Size by U.S. State & Canadian Province, 2026



Not pictured: Washington, DC; U.S. territories
Source: Utilities, Bluefield Research

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- Growth Opportunities by Utility Size, by Spend Type, by Water Type, by Segment and Product Type

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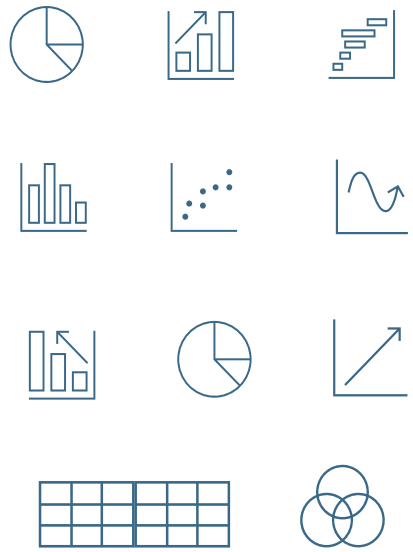
Data dashboard



With Bluefield's Data Navigator Platform, you will receive direct access to this digital water landscape forecast data.

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Global companies across the value chain are developing strategies to capitalize on greenfield opportunities in water − new build, new business models, and private investment. Bluefield Research supports a growing roster of companies across key technology segments and industry verticals addressing risks and opportunities in the new water landscape.

Companies are turning to Bluefield for in-depth, actionable intelligence into the water sector and the sector's impacts on key industries. The insights draw on primary research from the water, energy, power, mining, agriculture, financial sectors and their respective supply chains.

Bluefield works with key decision-makers at utilities, project development companies, independent water and power providers, EPC companies, technology suppliers, manufacturers, and investment firms, giving them tools to define and execute strategies.

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