



State of Mississippi

TATE REEVES
Governor

MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY

CHRIS WELLS, EXECUTIVE DIRECTOR

August 10, 2026

Sent Via Email

Mr. Riley Trettel
MZX Tech, Inc.
2875 Stanton Road South
Southaven, Mississippi 38671

Re: Notice of Violation
MZX Tech, Inc., Project Tulane
Southaven, Desoto County, Mississippi

Dear Mr. Trettel:

On March 20, 2026, MZX Tech LLC submitted a Notice of Intent for Large Construction Stormwater Coverage for the partial demolition of an existing site and construction of exterior improvements with related infrastructure, according to their stormwater pollution prevention plan. The total land disturbance is estimated to be 13.87 acres. On July 15, 2026, a meeting between MDEQ and MZX staff was held at MDEQ offices in Jackson, MS. During the meeting, it became apparent, from MZX staff, work had commenced without permit coverage. Therefore, on July 16, 2026, MDEQ's regional office staff visited the site and found that land disturbance activities had occurred and included both a cooling tower structure as well as security fencing. As a result of this site visit, the following violation is being cited:

Miss. Code Ann. § 49-17-29(2)(b)

“(b) It is unlawful for any person to carry on any of the following activities, unless that person holds a current permit for that activity from the Permit Board as may be required for the disposal of all wastes which are or may be discharged into the waters of the state, or unless that person is exempted from holding a permit by a regulation promulgated by the commission: (i) the construction, installation, modification or operation of any disposal system or part thereof or any extension or addition thereto, including, but not limited to, systems serving agricultural operations; (ii) the increase in volume or strength of any wastes in excess of the permissive discharges specified under any existing permit;

(iii) the construction, installation or operation of any industrial, commercial or other establishment, including irrigation projects or any extension or modification thereof or addition thereto, the operation of which would cause an increase in the discharge of wastes into the waters of the state or would otherwise alter the physical, chemical or biological properties of any waters of the state in any manner not already lawfully authorized; (iv) the construction or use of any new outlet for the discharge of any wastes into the waters of the state. However, no new or existing applications relating to swine concentrated animal feeding operations within a county shall be exempted from regulations and ordinances which have been duly passed by the county's board of supervisors and which are in force on June 1, 1998."

We request that you respond to the alleged violation within ten days following the receipt of this letter. This response should contain: (1) actions that have been taken to correct the violation, (2) a schedule for correcting the violation, or (3) reasons why you believe the alleged violation did not exist. The violation alleged above will be subject to the maximum statutory penalty of \$25,000 per violation per day that construction activities occur without permit coverage. Regional office staff's report is attached.

If you have any questions concerning this matter, please contact me at 601-961-5662 or mrclark@mdeq.ms.gov.

Sincerely,



Michelle Clark, P.E., BCEE, Chief
Environmental Compliance and Enforcement Division

MEMO

TO: Carrie Barefoot, LDD
FROM: Micheal Canerdy, NRO 
DATE: 7/28/2026
RE: AI 90524/77034 MZX Tech, Project Tulane-Stormwater-Desoto

Overview

Jaxson Landwehr and I traveled to this site on 7/16/2026 as requested. Conditions were hot and sunny with some cloud cover. This site is an existing warehouse located at 2400 Stateline Road W; this area is colored blue on the site map provided.

Inspection Findings

The Stateline Road entrances to this property are closed (Photo 1); entrance is now from the access road leading east from Tulane Road just north of the state line. The new site entrance is in the northwest corner of the site. At the guard shack we had to wait on an xAI escort before entering the site. We were soon joined by Junior Puentes with xAI, who escorted us around the site.

This site is known as Macroharder, and it is currently in use as a data center (Photo 2). A recently constructed fiber bridge holds the cabling that links this site to the Macrohard data center in Tennessee. The data center operations are all taking place inside the existing building. The parking area around the building is full of portable cooling units; large hoses connect them to the existing data center computers (Photo 3). A large, closed cycle 'dry cooling' system is planned for long-term use as they increase capacity of the data center. The cooling system support structure is being installed in the northeast corner of the site (Photos 4-7).

Construction continues along the north side of the warehouse building on into Tennessee (Photo 8). The state line is not marked and there is a tremendous amount of work taking place in Tennessee. Security is tight in this area and traffic is very heavy; we were not physically able to get to every location to collect coordinates. Most ongoing work is along the north perimeter of the site, including the new site entrance. Mr. Puentes said that the cooling tower structure has been in place for a few months now.

We collected GPS coordinates for the accessible corners of the cooling tower and took some photos.

The only other ongoing construction we saw was a linear permanent security fence being installed along the south side of the lot (Photo 9). Mr. Puentes stated that they started fence work around two weeks prior to our inspection. They plan to install permanent security fencing around the entire perimeter eventually, once construction of the cooling system and work on the Tennessee side is complete. The fence construction I saw included ground leveling and post/bottom rail installation. There is silt fencing around the site perimeter but no controls around storm inlets in the areas observed (Photo 10).

After seeing the site, we thanked Mr. Puentes, then returned to our truck and left the site. I collected coordinates for the new site entrance while there and submitted them to eLDIP when I returned to the office.

Historical Records Review

File review shows that this building at 2400 Stateline Road W was constructed earlier as DRG Southaven II (AI 77034). GP-Construction coverage MSR108169 was issued in April 2020 and terminated in April 2023. The NOI shows the planned total disturbed area was 49 acres. It appears that the Macroharder building and surrounding parking area, etc., were largely constructed under this permit coverage.

Ownership

Desoto County Tax Assessor Jeff Fitch stated that the parcel is currently owned by MZX Tech, effective 12-31-2025.

Permit Status

It is my understanding that this site does not currently have Construction Storm Water Coverage, despite the ongoing work. As noted above, the previous coverage for this site was terminated in April 2023.

Conclusions

After mapping the coordinates as shown, it appears that the cooling tower structure under construction covers a little over one- and one-half acres. The estimated perimeter of the fencing project is roughly one mile.

Assuming an average disturbed width of three feet, the linear fencing project should disturb less than one half acre.

Desoto County has aerial photography of the site taken in January 2026. This photography shows that construction of the cooling tower structure was underway at this time. Estimated area of the cooling tower construction footprint from this latest aerial photography was roughly three acres. It appears that MZX Tech likely began construction activities right after acquiring the property at the end of December 2025.

The entire northern part of the Macroharder facility between the existing building and the Tennessee state line appears to have been disturbed as part of this project. I would estimate the impacted area inside Mississippi to be around nine acres as shown in the attached map. See attachments for more information. Please advise if I need to take further action.



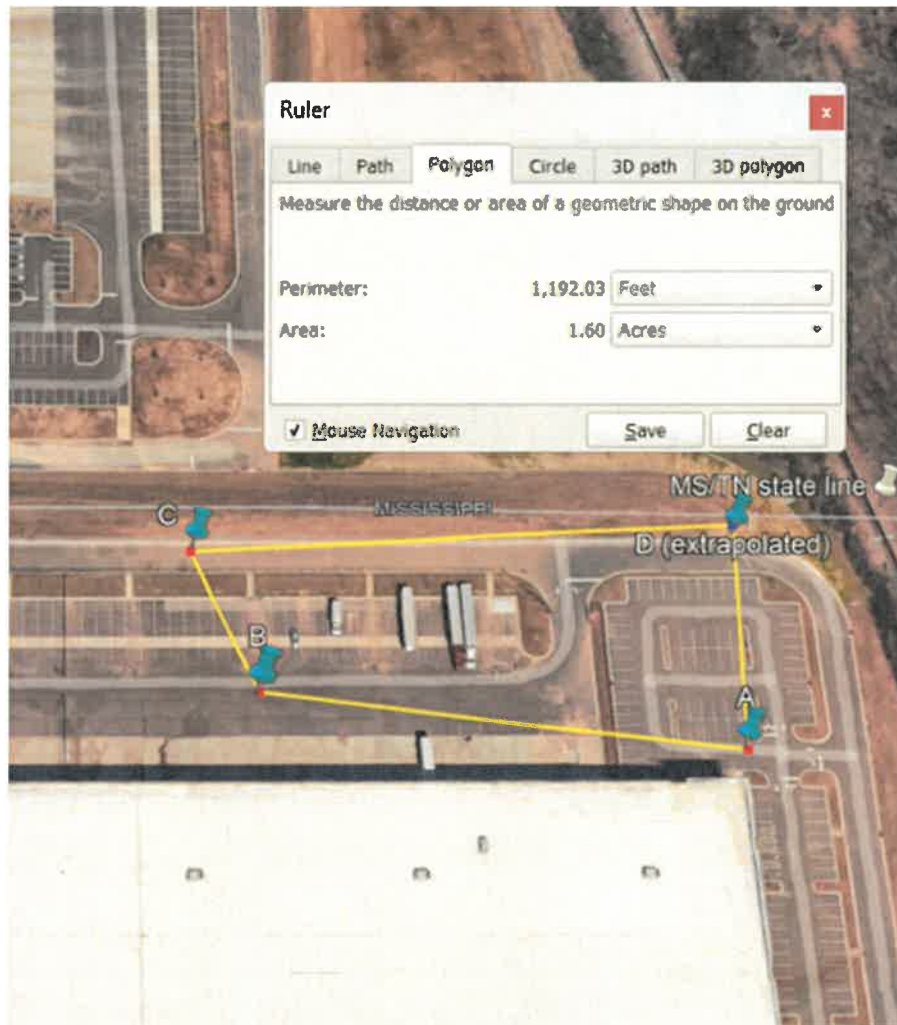
Site map



Colored parcels map



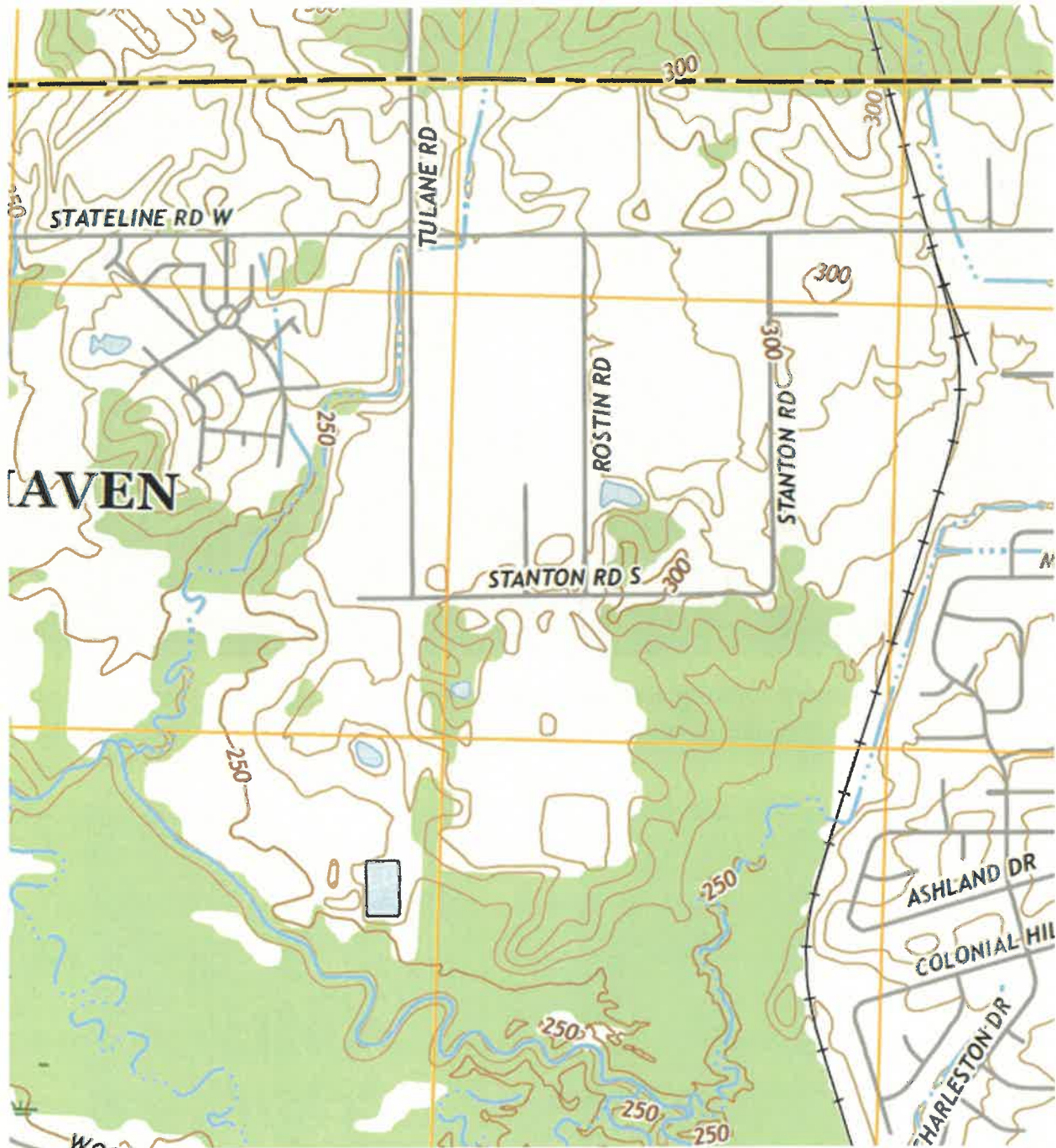
North detail



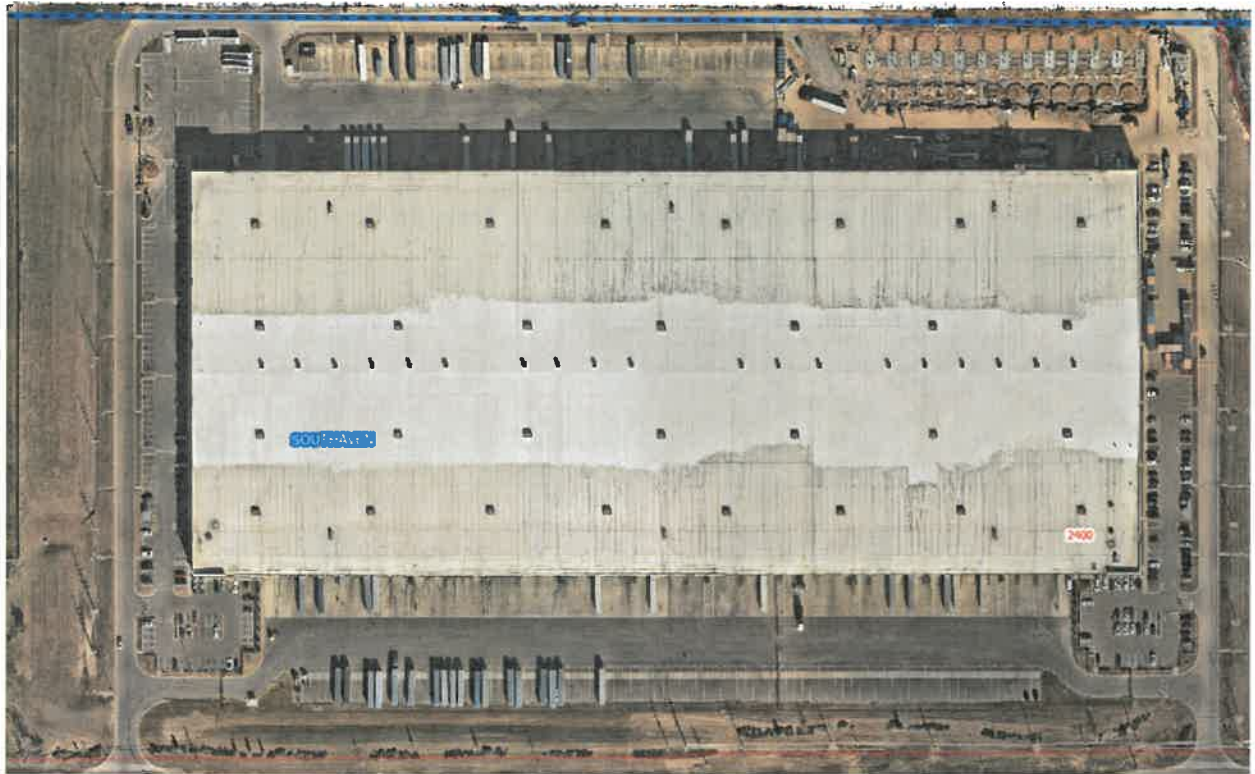
Cooling tower structure corners; couldn't access NE corner safely. Estimated area is 1.60 acres disturbed.



Estimated area of recent land disturbance activities at Macroharder site is just over 9 acres, not including the fence installation.



2020 Quad map of the area in question.



Desoto County January 2026 aerial maps appear to show the cooling tower structure under construction in the northeast corner of the site.



Photo 1-The site entrances along Stateline Road have been locked shut with temporary fence panels. Note mobile cooling units around building.



Photo 2-Macrohard/Macroharder sign.



Photo 3-Mobile chiller/cooling tower units visible to left. These units surround the building on the west, east, and south sides.



Photo 4-Looking north from the southeast corner of the closed loop dry cooling tower structure.



Photo 5-Looking west from same location as previous photo. Horizontal pipes in background lead to cooling tower structure.



Photo 6-Looking southeast at north side of building from northwest corner of cooling tower.



Photo 7-Looking east at ongoing construction under cooling tower structure.



Photo 8-Looking west at existing piping to cooling tower structure. Horizontal structure in background is fiber bridge, with TVA Southaven visible in far background.



Photo 9-Section of new fencing in front of temporary fence panels with black privacy screening. This is along the south perimeter.



Photo 10-Another view of fence construction a little further east. Note ground excavation/leveling and lack of storm drain protection.

