

ATTACHMENT B

STAFF'S ARGUMENT

STAFF'S ARGUMENT TO ADOPT THE PROPOSED DECISION, AS MODIFIED

Juwan A. Austin (Respondent) was employed by Mid-Peninsula Water District (Respondent District), as a Maintenance Technician. By virtue of his employment with Respondent District, Respondent was a local miscellaneous member of CalPERS. On or about March 19, 2024, Respondent submitted an application for disability retirement based on neurological (traumatic brain injury and chronic fatigue) and psychiatric (anxiety and depression) conditions.

As part of CalPERS' review of Respondent's medical condition, Alberto G. Lopez, M.D., a psychiatrist, performed an Independent Medical Examination (IME) concerning his psychiatric conditions. James C. Stody, M.D., a board-certified neurologist, performed an IME concerning Respondent's neurological conditions. Both IMEs reviewed his work history and job description, obtained a history of his past and present complaints, and reviewed his medical records. Dr. Lopez and Dr. Stody each opined within their respective fields of expertise that Respondent was not substantially incapacitated for the performance of his usual and customary duties as a Maintenance Technician.

To be eligible for disability retirement, competent medical evidence must demonstrate that an individual is substantially incapacitated from performing the usual and customary duties of his or her position. The injury or condition which is the basis of the claimed disability must be permanent or of an extended duration which is expected to last at least 12 consecutive months or will result in death.

After reviewing all medical documentation and the IME reports, CalPERS determined that Respondent was not substantially incapacitated from performing the duties of his position.

Respondent appealed this determination and exercised his right to a hearing before an Administrative Law Judge (ALJ) with the Office of Administrative Hearings. A hearing was held on January 15, 2026. Respondent represented himself at the hearing. Respondent District appeared at the hearing but did not call or cross-examine any witnesses, and did not introduce any exhibits into evidence.

Prior to the hearing, CalPERS explained the hearing process to Respondent and the need to support his case with witnesses and documents. CalPERS provided Respondent with a copy of the administrative hearing process pamphlet, answered Respondent's questions, and clarified how to obtain further information on the process.

At the hearing, both Dr. Lopez and Dr. Stody testified in a manner consistent with their examinations of Respondent and their IME reports. Dr. Lopez testified that Respondent's mental status examination revealed normal findings. Dr. Lopez found that Respondent only had a mild level of depression in remission and his symptoms did not meet the criteria for a diagnosis of a major depressive disorder. Dr. Lopez identified

multiple diagnostic criteria for a major depressive disorder that Respondent did not meet, including the absence of recurrent suicidal ideation, diminished interest in socialization or pleasure, appetite disturbance, and diminished self-worth. With respect to Respondent's anxiety, Dr. Lopez found that the symptoms were similarly minor and did not rise to the level of substantial incapacity. Accordingly, Dr. Lopez concluded that Respondent was not substantially incapacitated for the performance of his usual job duties due to any psychiatric condition.

Dr. Stoodly testified that although Respondent had sustained a traumatic brain injury in 1996, he was later evaluated and deemed able to return to full-duty work on January 1, 2022. Upon evaluation of Respondent's prior traumatic brain injury, Respondent exhibited no objective abnormalities, including evidence of deterioration, change, or other material effects. Dr. Stoodly found that Respondent's neurological examination was essentially normal and that Respondent's subjective complaints of fatigue and hypersomnia were not corroborated by objective medical evidence and did not appear to result in any adverse impact. Dr. Stoodly concluded that Respondent was not substantially incapacitated for the performance of his usual job duties due to any neurological condition.

Both Respondent and his wife testified at the hearing regarding Respondent's condition and his difficulty completing tasks of daily living. Respondent did not call any witnesses or introduce any documentary evidence of competent medical opinion that disputed the opinions of either Dr. Lopez or Dr. Stoodly.

After considering all the evidence introduced, as well as arguments by the parties, the ALJ denied Respondent's appeal. The ALJ reasoned that Respondent did not meet his burden to establish by competent medical evidence that, at the time Respondent applied for disability retirement, he was incapacitated from the performance of his duties as a Maintenance Technician. Instead, the competent medical evidence established that Respondent's conditions concerning his traumatic brain injury, fatigue, anxiety and depression did not render him incapacitated to perform his usual job duties.

Pursuant to Government Code section 11517, subdivision (c)(2)(C) the Board is authorized to "make technical or other minor changes in the Proposed Decision." To avoid ambiguity, staff recommends that "in the state service" be deleted on page 7, paragraph 1, of the Proposed Decision.

For all the above reasons, staff argues that the Proposed Decision should be adopted by the Board, as modified.

March 18, 2026

Bryan Delgado
Senior Attorney