EXHIBIT 5.h: Farralon/Grette Associates Peer Review (10/14/26)

Grette Associates
A DIVISION OF FARALLON CONSULTING

T E C H N I C A L M E M O R A N D U M

TO: Nikole Coleman, Planning Manager – City of Poulsbo

FROM: Chad Wallin, PWS, Associate Biologist

DATE: October 14, 2026

RE: PINNACLE AT LIBERTY BAY
THIRD-PARTY CRITICAL AREAS REVIEW
FARALLON PN: 3386-002.001 TASK 3

INTRODUCTION

The City of Poulsbo (City) contracted with Grette Associates (Grette), a division of Farallon Consulting, L.L.C., to assist in the review of a third addendum to the critical areas report (Addendum 3, dated September 15, 2026);[1] that was prepared by Sewall Wetland Consulting, Inc. (SWC) in support of the Pinnacle at Liberty Bay development project.

Prior to this review, Grette performed a review of a critical area report addendum (Addendum 1; dated November 19, 2025)[2] followed by the review of a second addendum (Addendum 2; dated April 6, 2026)[3] which concluded that Addendum 2 was compliant with the wetland buffer averaging requirements defined in Chapter 16.20 of the Poulsbo Municipal Code (PMC).

Please note that the reviews of Addendum 1 and Addendum 2 were limited to evaluating SWC's response to Grette's wetland comments with respect to compliance with Section 200 (Wetlands) of Chapter 16.20 of the PMC. The comments Grette provided in the August

[1] Sewall Wetland Consulting, Inc. Critical Areas Report Addendum #3 – Pinnacle at Liberty Bay. Addressed to the City of Poulsbo Planning and Economic Development. September 15, 2026.
[2] Sewall Wetland Consulting, Inc. Critical Areas Report Addendum – Pinnacle at Liberty Bay. Addressed to the City of Poulsbo Planning and Economic Development. November 19, 2025.
[3] Sewall Wetland Consulting, Inc. Critical Areas Report Addendum #2 – Pinnacle at Liberty Bay. Addressed to the City of Poulsbo Planning and Economic Development. April 6, 2026.

2025 review that were associated with Section 300 (Fish and Wildlife Habitat Conservation Areas) of Chapter 16.20 of the PMC were to be addressed under a sperate review.

METHODS

The purpose of this review is to verify whether the changes outlined in Addendum 3 remain consistent with the wetland buffer averaging requirements defined in PMC 16.20.230.E, and that the temporary stream and buffer impacts associated with the proposed utilities are consistent with the development standards defined in PMC 16.20.320.G.

As requested by the City, this review is focused on project elements associated with Wetlands A and B along with elements associated with Streams A and D. This review does not address any project elements associated with Stream C or its buffer.

RESULTS

According to the information provided in Addendum 3, there are two modifications to the proposed buffer averaging plan that have changed from what is outlined in Addendum 2. Addendum 3 also provides information regarding temporary impacts to Stream A and its buffer along with temporary impacts to the buffer of Stream D. Provided below is a summary of these changes.

WETLANDS

Wetland A – Buffer Averaging

Addendum 1 proposed a total of 1,865 square feet of buffer take and proposed a total of 2,119 square feet of additional buffer for compliance with PMC 16.20.230.E. Addendum 2 outlined that the total buffer take areas were reduced to 1,232 square feet and that the added buffer area was adjusted to a total of 1,581 square feet for compliance with PMC 16.20.230.E.

The site plan provided in Addendum 3 shows a revised buffer averaging plan that proposes a total of 856 square feet of buffer take and an added buffer area total of 1,018 square feet. The narrative provided in Addendum 3 states that the buffer take was reduced to 781 square feet, but the summary table and site plan both show 856 square feet of take. It is assumed that the narrative is in error and that the accurate take area is consistent with the site plan. Based on Grette's review, it appears the 781 square feet mentioned in the

narrative excluded the 75 square feet of take area shown on the site plan. When included, the total take area is 856 square feet.

Addendum 3 provides an analysis to demonstrate compliance with the buffer averaging requirements defined in PMC 16.20.230.E. This analysis is consistent with those analyses provided in Addendum 1. Per PMC 16.20.230.E, the narrowest portion of the reduced buffer width shall be no less than 75 percent of the standard buffer width. In this case, the minimum buffer width is 37.5 feet. The site plan in Addendum 3 shows a minimum buffer width for Wetland A of 37.5 feet, in compliance with PMC 16.20.230.E. Additionally, per PMC 16.20.230.E, buffer averaging requires no net loss of total buffer area. Addendum 3 is compliant with this requirement. The total buffer take area is 856 square feet and the total added buffer area is 1,018 square feet.

In summary, Addendum 3 has further reduced the need for buffer averaging compared to what was originally proposed in Addendum 1. Apart from the reduction in buffer averaging, Grette did not identify anything else that deviates from what was outlined in the previous addendums.

Wetland B – Buffer Averaging

Addendum 1 proposed a total of 11,509 square feet of buffer take and a total of 11,571 square feet of additional buffer area for compliance with PMC 16.20.230.E. Addendum 2 outlined that the total buffer take areas were adjusted to 11,702 square feet and the added buffer area was adjusted to a total of 12,930 square feet for compliance with PMC 16.20.230.E.

The site plan provided in Addendum 3 has a revised buffer averaging plan that proposes a total of 10,895 square feet of buffer take and a total of 11,511 square feet of added buffer. The narrative provided in Addendum 3 notes 10,833 square feet of buffer take; however, the table in Addendum 3 along with the table in the site plan note 10,895 square feet of buffer take. It is assumed that the correct buffer take area is 10,895 square feet which is based off the areas called out in the tables. Based on Grette's review, it appears the 10,833 square feet mentioned in the narrative excluded the 62 square feet of buffer take area shown on the site plan. When included, the total take area is 10,895 square feet.

Upon review of the buffer averaging analysis provided in Addendum 3, the buffer averaging plan remains consistent with the requirements defined in PMC 16.20.230.E. In addition, per PMC 16.20.230.E, the narrowest portion of the reduced buffer width shall be no less

than 75 percent of the standard buffer width and no net loss of buffer area shall occur. In this case, the minimum buffer width is 112.5 feet for Wetland B when applying buffer averaging. Based on the site plan, the minimum buffer width that would be established through averaging is 115.5 feet. In addition, a total of 11,511 square feet of buffer will be added in response to the 10,895 square feet of buffer take for compliance with PMC 16.20.230.E.

In summary, apart from the minor modifications in buffer averaging, Grette did not identify anything else that deviates from what was outlined in Addendum 2.

FISH AND WILDLIFE HABITAT CONSERVATION AREAS

As noted above, Grette's January and April 2026 reviews did not include an evaluation of SWC's response to Grette's FWHCA comments provided in Grette's August 2025 review. These comments included discrepancies with the characterization of Stream D as a Type Ns2 (non-fish habitat, seasonal stream) and deficiencies with compliance with the development standards defined in PMC 16.20.230 with respect to the proposed utility crossing associated with Stream A and the stormwater outfall proposed within the buffer of Stream D. The site plans provided in Addendum 3 show Stream D as a Type Ns1 stream which is consistent with Grette's determination outlined in the August 2025 review.

Provided below is a summary of Grette's review of the proposed utility crossing and stormwater outfall based on the guidance provided by the City. Please note, it is Grette's understanding that future coordination with the City will occur for review of an appropriate mitigation plan for this proposed work.

Stream A – Utility Crossing

PMC 16.20.320.G provides development standards to allow the placement of utilities within a FWHCA or its buffer if a project follows the standards defined in said section of code. Addendum 3 provides a brief narrative that describes that approximately 4,100 square feet of temporary buffer impacts will occur along with temporary disturbance to the stream channel during the installation of the underground utilities. The addendum notes that all disturbed areas will be restored upon completion of the work and will follow the requirements defined in the Hydraulic Project Approval (HPA) issued by the Department of Fish and Wildlife (WDFW).

Except for noting that the temporary disturbances will be restored, no additional information is provided to demonstrate compliance with PMC 16.20.320.G. As such, Grette cannot

determine whether the proposed utility crossing is compliant with the standards defined in PMC 16.20.230.G and that appropriate measures will be implemented to ensure no adverse impacts will result from the associated construction activities that would occur to install the proposed utilities.

Per PMC 16.20.320.G, in addition to providing the appropriate analysis to demonstrate compliance with said section of code, a habitat management plan shall be prepared that meets the requirements defined in PMC 16.20.775. This plan should include, but is not limited to, demonstration of mitigation sequencing, a stream and buffer restoration plan, monitoring plan and maintenance plan, and performance standards.

Stream B – Stormwater Outfall

According to Addendum 3, 1,200 square feet of temporary impacts will occur within the buffer of Stream D to install the proposed stormwater outfall.

PMC 16.20.320.G provides development standards to allow the placement of utilities within a FWHCA or its buffer if a project follows the standards defined in said section of code. Addendum 3 provides an analysis to address PMC 16.20.320.G.5 (i.e., easement criteria) but does not provide any other analyses to demonstrate compliance with other applicable criteria defined in PMC 16.20.320.G. The analysis provided in response to PMC 16.20.320.G.5, concludes that the proposed easement and corridor is compliant with these standards given the existing conditions within the proposed easement and the corridor are devoid of vegetation. Based on aerial imagery, Grette disagrees. The buffer in this general area appears to be intermixed with a shrub and forested vegetation community and there does not appear to be any clear indication that the existing conditions are devoid of vegetation.

Per PMC 16.20.320.G, in addition to providing the appropriate analysis to demonstrate compliance with said section of code, a habitat management plan shall be prepared that meets the requirements defined in PMC 16.20.775. This plan should include, but is not limited to, demonstration of mitigation sequencing, a stream and buffer restoration plan, monitoring plan and maintenance plan, and performance standards.

CONCLUSION

Upon review of Addendum 3, the modifications associated with the proposed buffer averaging plan remain consistent with the buffer averaging requirements defined in PMC

16.20.230.E; however, the information provided in Addendum 3 to address the proposed utilities for compliance with PMC 16.20.320.G is incomplete.

It is Grette's understanding that a mitigation plan is forthcoming and will be submitted to the City to address the applicable mitigation requirements defined in PMC 16.20.755. It is also Grette's understanding that this plan is anticipated to provide elements that would include a restoration plan, planting schedule, performance standards, and monitoring plan.

While it does appear that the utilities crossing Stream A and its buffer are necessary and will be restored, Addendum 3 does not provide any information to demonstrate compliance with PMC 16.20.320.G for Grette to recommend approval even with the understanding that a mitigation plan would be submitted to the City at a later date. This determination also applies to the proposed utility easement and corridor within the buffer of Stream D. While the easement and corridor appear necessary, the existing conditions do not appear to be accurately described, and the analysis provided does not address the applicable criteria defined in PMC 16.20.320.G for Grette to recommend approval.

In conclusion, Grette recommends that an appropriate code compliance narrative similar to what was provided in response to the proposed buffer averaging be prepared. In Grette's opinion, pending approval, this would provide the City with sufficient information to approve these temporary disturbances while coordination occurs with the applicant to address the outstanding mitigation plan that would be prepared to address these project activities.

If you have any questions regarding this memorandum, please contact me at (253) 573-9300, or by email at chadw@gretteassociates.com.

Grette Associates, a division of Farallon Consulting L.L.C.

Regards,



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Associate Biologist